

Central Finance Corporation

wondering if that were the reason, because in their advertising they seem to get that idea across.

Mr. MACDONALD (Brantford): That answers the question, so far as my information goes. The fact is that the Central Finance Corporation has not been discredited by the public. It is one of the companies which has never had a case in the courts. My information is that the Central Finance Corporation has never brought anyone before the courts, and never sold anyone out for failure to pay money which has been borrowed.

The reason for the change is merely that the Household Finance Corporation owns all the capital stock of the Central Finance Corporation. It is a wholly owned subsidiary of the Household Finance Corporation.

Mr. LANDERYOU: Of the United States?

Mr. MACDONALD (Brantford): The head office is in the United States.

Mr. WOODSWORTH: Why make it a subsidiary company?

Mr. MACDONALD (Brantford): I suppose it will still be a subsidiary company. It will be the Household Finance Corporation of Canada. It is necessary to have a head office in Canada, because it could not very well be operated from the United States. I suggest it would be like many other corporations which are wholly owned in the United States, and are incorporated in Canada. I think that is general practice, and I recall, just in passing, that practically all of the automobile companies are wholly owned by corporations in the United States, but operate in Canada. In fact, it would be difficult to do business, both for the company and for those wanting to take action against the company, if such companies were not incorporated as this company is.

Mr. WOODSWORTH: Why change the name of this company?

Mr. MACDONALD (Brantford): The name will be the same. When the bill before the committee is passed, the name will not be different in this country from what it is in the United States. At the present time it is different, and that is one reason for introducing the bill, namely, to have the name the same in both countries.

Mr. LANDERYOU: The hon. member who has just taken his seat has pointed out that small loan sharks have been operating in this country and charging rates up to 1,000 per cent. He rightly suggested that this is absolutely going too far. He has suggested further

[Mr. Landeryou.]

that these companies have been operating at a rate of 28 per cent over a number of years. We have already on our statute books an act entitled "The Small Loans Act, 1939," which restricts to 2 per cent a month the rate of interest to be charged by small loan companies. That amounts to a little over 26 per cent interest. I see no reason why, if this bill were not passed, there would be any danger of any company lending money to the public at 1,000 per cent interest, because we already have legislation dealing with that very matter.

Mr. MARTIN: The hon. member voted against it.

Mr. LANDERYOU: Yes, I voted against it, and I did so because I saw no reason why many thousands of people who have to meet financial emergencies, because of sickness in the family, or death, or because they are temporarily unemployed, should be subjected to those rates of interest. May I point out to the hon. member that many individuals in Ottawa have come to me and stated that they are working only part-time. Some of them are working part-time for the government of Canada; they may be working in or round the buildings during the session of parliament. They are laid off when parliament is prorogued. They may be able to carry on for a month or two on the money they have laid aside during their time of employment, but then may find themselves in need of some additional money to meet rent, or possibly to buy groceries or a pair of shoes. Those people may read an advertisement in a street car, or they may hear an advertisement over the radio suggesting to them that there is an institution prepared to come to their rescue. They are told how easy it is, that all they have to do is to go to the office of the company. They are told further, that everything will be kept confidential. They are asked to sign their names on the dotted line, to get the signatures of their wives, to put up some collateral by way of household furniture or something of that kind. At the conclusion of all that they are given a small sum of money—maybe \$100 or \$200. However, that may be a very large sum of money to people who are suffering from the need of income. As one hon. member has suggested to me, those companies will even take a loan on the gold filling in false teeth. I should not be surprised if they did.

Mr. VIEN: Would my hon. friend think that the change of name from Central Finance Corporation to Household Finance Corporation would alter that situation in any way?