

Mr. WARD: Before Mr. Finlayson makes a statement, he can perhaps make two statements in one.

Mr. JACOBS: Perhaps if Mr. Finlayson makes a statement, it will not be necessary for you to make a speech.

Mr. WARD: It may or may not be, Mr. Jacobs. But I was quite impressed by the argument of Mr. Leduc, and that is what prompts me to rise. I want to ask Mr. Finlayson—he was not here when Mr. Leduc spoke, but in brief Mr. Leduc's argument was that we would perhaps be placing ourselves as members of parliament in a more or less vulnerable position if we passed this act as it now stands, with special reference to clause 2, wherein we would grant this company the right to go out and increase their capitalization by four and a half million dollars, giving them then another perhaps unwritten right to come back to parliament next year, and say, "Now, here is a vested interest. We have increased our capitalization and you permitted us to increase our capitalization by four and half million dollars, and we have gone out and sold the stock to the Canadian public—I do not know whether this stock is placed in Canada or not—but at any rate, we have increased our capitalization by four and a half million dollars." And then you come back next year—the stockholders, for example, may come back next year and with a perfectly legitimate argument say, "We put our money into this business under the laws of Canada with the protection of our Canadian Act of Parliament, and now we want your protection for this investment." When Mr. Finlayson speaks, I would like him to give his views as to the fact. I know that Mr. Finlayson is not a member of parliament. He is an official and a very efficient official of a department, one in whom I have implicit confidence. But we who have necessarily our finger on the pulse of public opinion in Canada, who in our mail every morning or almost every morning find letters from our constituents protesting and continuing to protest against what they believe to be vicious legislation, iniquitous—I met a man the other day, only yesterday..

The CHAIRMAN: Mr. Ward, you are asking Mr. Finlayson a question.

Mr. WARD: I will conclude in a moment, Mr. Chairman. This man I met yesterday remarked regarding this bill, "Surely you are not going to pass that iniquitous bill that is now before parliament." And he was referring to this bill we are now discussing. I hope Mr. Finlayson when he speaks will make that point abundantly clear from his experience as an official of the department, one who has been head of the insurance department for a long number of years, so as to clear up the apprehension that does prevail, I am sure, in the minds of a lot of members of this committee.

The CHAIRMAN: Mr. Finlayson.

Mr. FINLAYSON: Mr. Chairman and gentlemen, I must apologize for not being here, but I had to attend a similar committee in the Senate which lasted a little longer than I thought it would. I have seen this amendment, and dealing particularly with section 2 of the bill, I think I have already expressed my opinion that I see no objection to it. I think there is no greater vested interest created by the Household Finance Corporation of Chicago being permitted to pay in two or three millions more in the form of capital stock than would be created if they are permitted to loan two or three millions more to the Central Finance Corporation. I think the vested interest created is exactly the same in either case. Mr. Ward suggests that we may be giving an implied guarantee to this company that if they find \$5,000,000 insufficient and they come for more, they must get it. I do not think there is any such undertaking given by this amendment. We say, "You have established your need for \$5,000,000 of capital." We say nothing as to the future. On a