

Mr. CAHAN: I am speaking of this bill as though it had passed.

Mr. MACDONALD (Brantford): At the present time the Central Finance Corporation is enabled under its act to charge a rate equal to about $2\frac{1}{2}$ per cent a month. If a new bill is not passed, and if the general act should be declared *ultra vires* then the company would revert to the act in existence at the present time, which would allow it to charge up to $2\frac{1}{2}$ per cent a month. If the present bill is passed, however, even if the general act should be declared *ultra vires* this company would be bound by this act and would be limited to two per cent a month. There is nothing in the bill which enables it to charge in excess of the two per cent a month.

Mr. CAHAN: And the two per cent is not more inclusive in the one case than in the other?

Mr. MACDONALD (Brantford): That is correct.

Mr. VIEN: In section 5, on page 2 of this bill, will be found identically the same language that appears in the general act with respect to the cost of the loan. One of the purposes for which these private bills are introduced is to reduce the rights and powers of these companies to the level defined in the general act, so that if the general act should be declared unconstitutional, in that it applies to other than federal companies, these companies which are the creatures of parliament would be restrained and restricted in their charter powers to the rights defined in the general act.

Mr. CAHAN: Frankly, then, accepting those statements, I cannot see any objection to the bill.

Mr. VIEN: If this bill should not pass and the general law enacted a few days ago should be set aside as being unconstitutional, this company would continue to operate under its present charter powers, and would be entitled to $2\frac{1}{2}$ per cent a month as determined by the act of 1934. The superintendent of insurance and the Minister of Finance have insisted that these companies should come to parliament to have their charter powers clarified and restricted in the sense determined by the general act, and these bills bring the charters of these individual companies in line with the terms of the said act.

Mr. LANDERYOU: Is not the question of the legality of the rates being charged by these companies before the courts at the present time?

Mr. VIEN: They are being challenged, and the Exchequer Court of Canada has interpreted their charter powers, as the companies have done. But the superintendent of insurance has appealed to the Supreme Court of Canada, and that decision has not yet been rendered.

Mr. LANDERYOU: If the general act is declared *ultra vires*, as has been suggested by the hon. member for Brantford City, would that not affect the rates contained in the private bill?

Mr. MARTIN: Certainly not, if this bill is passed.

Mr. LANDERYOU: If the rate of two per cent is declared illegal by the courts, how could a company continue to charge that rate?

Mr. VIEN: The question before the courts is not the rate of two per cent; the question is the power of the company to charge, over and above the rate of interest specified in their charter, for certain services, such as chattel mortgages, disbursements for professional fees, and other matters of that kind which are added to the interest charge. The act of 1934 prescribed a ceiling of $2\frac{1}{2}$ per cent all-inclusive. The purpose of this bill is to reduce that ceiling from $2\frac{1}{2}$ per cent to two per cent a month.

Mr. MACDONALD (Brantford): I may say, further, that the companies are before the courts at the present time because their powers are not clear. They are not set forth clearly in the charter, and that is one more reason for amending the act, namely, so that their powers will be clarified. As I said before, my advice is that the superintendent of insurance desires that their powers should be clarified.

Mr. LANDERYOU: What is the reason for changing the name from the Central Finance Corporation to the Household Finance Corporation? I understand that they have been operating for some time under the name of the Central Finance Corporation. Is the reason that the name has been discredited because of the conduct of their business, and that for that reason they wish to change it to the Household Finance Corporation, so that people will think they are dealing with a different company? Is that the reason, or is it because the word "household" indicates to the general public that this company is a benefactor of the householder, and that it is in business to serve the householder? I was