

PRIVATE BILL—SMALL LOAN
COMPANY OF CANADA

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Copp, the Senate went into Committee on Bill 15, an Act to incorporate the Small Loan Company of Canada.

Hon. Mr. Donnelly in the Chair.

Sections 1 and 2 were agreed to.

On section 3—capital stock:

Right Hon. Mr. MEIGHEN: I think the title of this concern, the Small Loan Company, is rather inappropriate.

Section 3 was agreed to.

Section 4 was agreed to.

On section 5—powers:

Right Hon. Mr. MEIGHEN: I should like to ask the sponsor if this section is in the regular form.

Hon. Mr. COPP: The honourable senator from Saint John (Hon. Mr. Foster) asked me to speak to this Bill. He told me his understanding was that this section is exactly the same as section 5 of Bill D, an Act to incorporate Personal Finance Corporation, which was passed by this House.

Right Hon. Mr. MEIGHEN: Is the whole section exactly the same?

Hon. Mr. COPP: Perhaps my right honourable friend will check Bill 15 as I read section 5 of Bill D:

(1) The Company may throughout Canada:—

(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages, trade paper, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other security for the performance and payment thereof and may enforce such guarantees and realize on such security.

There are several other paragraphs.

Right Hon. Mr. MEIGHEN: I will read those from Bill 15, and my honourable friend can tell me whether they are the same in Bill D. The wording in Bill 15 is:

(b) notwithstanding anything contained in the Interest Act, or in the Money Lenders Act, or in paragraph (c) of section sixty-three of the Loan Companies Act,—

(i) lend money secured by assignment of choses-in-action, chattel mortgages or such other evidence of indebtedness as the Company may require, and may charge interest thereon at a rate of not more than seven per centum per annum, and may on all loans deduct the interest in advance and provide for repayment

in weekly, monthly or other uniform repayments: Provided that the borrower shall have the right to repay the loan at any time before the due date, and, on such repayment being made, to receive a refund of such portion of the interest paid in advance as has not been earned, except a sum equal to the interest for three months;

(ii) charge, in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the Company in making or renewing a loan authorized by the next preceding sub-paragraph (i), including all expenses for inquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, two per centum upon the principal sum loaned;

(iii) notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii) the Company shall, when a loan authorized by the said sub-paragraph (i) has been made or renewed on the security of a chattel mortgage, or of subrogation of taxes, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the Company in connection with such loan, but not exceeding the sum of ten dollars, save that in the case of loans of one hundred dollars or less in amount, the said charge for the legal and other actual expenses disbursed by the Company in connection with the loan, but not exceeding the sum of ten dollars, shall be in lieu of the charge authorized by sub-paragraph (ii) of this paragraph;

but no charge for expenses of any kind shall be made or collected unless the loan has been actually made, nor on a renewal unless such a loan has been renewed after one year from the making thereof or after one year from the last renewal thereof and in neither such case shall the charge exceed the sum of five dollars;

(c) lend money on the security of real estate or leaseholds, or purchase or invest in mortgages or hypothecs upon freehold or leasehold estate and for subrogation of taxes;

(d) do all or any of the above mentioned things, and all things authorized by this Act, as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others;

(e) if authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time:—

(i) borrow money upon the credit of the Company;

(ii) limit or increase the amount to be borrowed;

(iii) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure the payment of any money borrowed for the purposes of the Company.

(2) Nothing in this section contained shall limit or restrict the power of the Company to borrow money on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Company.

(3) Nothing in this Act contained shall authorize the Company to issue bonds, debentures or other securities for moneys borrowed, or to accept deposits.