

*Central Finance Corporation*

to the general act, notwithstanding that, this company is going to be bound by the rate in its charter as we expect to have it amended to-day.

Someone has said—I believe it was the hon. member for New Westminster—that this company pays high salaries. Personally I know nothing of that. I believe there was before the committee some evidence concerning salaries, but I do not recall what those salaries were. But under the act the superintendent of insurance has power to examine the books of these companies. He has complete supervision of their operations and, if exorbitant salaries are being paid, when this bill is passed that abuse can be corrected.

Some hon. MEMBERS: How?

Mr. MACDONALD (Brantford): He could report; the house could ask to have the report brought in, and hon. members would know definitely what was going on.

Mr. WOODSWORTH: How would it be corrected?

Mr. MACDONALD (Brantford): The superintendent of insurance could then advise the government of what was taking place, and it would not be a difficult thing to amend the act to make it impossible for these companies to pay exorbitant salaries. There would be no difficulty in the way whatever. The advantage under this act is that you can get the information; then, that information having been obtained, appropriate action can be taken.

It was also stated that these bills gave these companies special privileges. This act does not give any company any special privilege, because at the present time the Central Finance Corporation is incorporated by act of parliament. There is no special privilege about that. On Monday of next week a group of men could form a new company and ask for incorporation by this government, or they could go to a provincial government and obtain incorporation by letters patent or by an act of the provincial legislature. I have compared the acts carefully, and so far as I know there is no difference in regard to special privileges or advantages between the act now before the committee for amendment and the general act. As a matter of fact this amendment makes it easier for the superintendent of insurance to supervise the company than would be the case if the bill were not passed.

Mr. CAHAN: Would the hon. member for Brantford City explain to some of us who have not closely followed these discussions exactly what is the difference in the rate

[Mr. W. R. Macdonald.]

under the general act and the rate this company would be allowed to exact, provided the general act is not brought into force or, having been brought into force, was then declared ultra vires?

Mr. MACDONALD (Brantford): The general act provides that the rate is not to exceed two per cent a month, which rate is to be all-inclusive. In the interpretation section of the general act the word "cost" is used, and the cost is to be an all-inclusive charge which, as I have said, is not to exceed two per cent a month. Under the bill now before us the rate also must not exceed two per cent a month, so there is no difference.

Mr. CAHAN: If my hon. friend will permit me, I am sure he will frankly admit that the two per cent a month under the general act includes a number of other charges which could be added under this bill, if it should become operative.

Mr. MACDONALD (Brantford): No. The bill now before the committee sets the rate exactly the same as it is in the general act.

Mr. CAHAN: The rate may be the same in figures, but I understand that one includes certain other charges which the other does not. Is that not so?

Mr. MACDONALD (Brantford): No. The word "cost" is the same in the private bill as in the general act. The hon. member for St. Lawrence-St. George will notice in the general act a clause with regard to "rate of charge" and the exact wording of the general act is carried over into the private bill.

Mr. CAHAN: I only wish to be informed, but as I understand it, in the definition of "rate" there are words which include extra charges. Is that not so?

Mr. MACDONALD (Brantford): No, there is nothing to be added to the word "rate." There is no difference whatever in the rate in the private bill and the rate in the general act.

Mr. CAHAN: I wish to have the facts clearly in my mind before voting, so I would like to ask another question. Let us assume that the general act is in force and is applicable to this company. Call that case No. 1. Then, as case No. 2, let us suppose the general act is no longer in force, because it has been declared ultra vires. In case No. 2 would not this company be authorized to collect more on its loan than in case No. 1?

Mr. MACDONALD (Brantford): That would depend entirely upon whether or not this private bill is passed by this house and put into effect.