

Interest Act

is a total of \$1,900 million outstanding indicate that tens of thousands of Canadians, for one reason or another, have had to avail themselves of this type of credit, and since that is so it is a problem with which parliament should deal at this time.

Another reason I would suggest why hon. members should support this being done is the position of the small businessman, the independent merchant. I am one of those who believe that the independent merchant, the independent business proprietor, has made and is making a great contribution to the welfare of this nation. I believe that this is the real free enterprise segment of the Canadian economy and that parliament should not allow this segment of the Canadian economy to be destroyed, to wither away and pass out of existence. I suggest that the ordinary independent merchant is not able to compete with big business firms which are in the field of advancing consumer credit and charging a very high rate of interest for that credit. If they charge such fabulous rates of interest they obviously can undercut, in the retail field, the retail price that has to be charged by an independent merchant.

Mr. MacDonald (Antigonish-Guysborough): May I ask the hon. member a question? Would he consider it fair business practice to charge a credit customer 10 per cent for the privilege of giving him that credit? On the other hand, if I were selling a suit of clothes for cash, would it be fair business practice to offer a customer 10 per cent discount on that suit for cash? I am a clothing merchant, which is why I am asking that question.

Mr. Argue: Ten per cent comes under the 12 per cent suggested in this legislation. I think I have allowed a lot of questions; I think I have been very lenient with hon. members. My time is limited. My colleague wants to speak. I do not want to be discourteous but since my time is limited I think I have already allowed an ample number of questions.

I think all members have received a document from the retail merchants' association of Canada during this session. It is a submission made to the Minister of Finance (Mr. Fleming) on October 30, 1957, and it asks the government to make provision for credit for small business firms. These small businessmen, as represented by the retail merchants' association of Canada, made this very startling statement in their submission, that credit to many merchants in this country today is available only at a rate of 16 per cent per annum through wholesale houses. That was contained in the submission of the

retail merchants' association. They asked that a number of things be done, and they made the following statement on page 4 of the submission:

The situation is serious. Within the next five to 10 years, unless action is taken now, these large corporate retailers may well control the supply and price of all retail goods to all Canadians. We have seen similar developments in the automobile industry and in the gasoline business.

On page 11 of the submission we find the following:

There is no doubt that there is an economic war in progress in the retail industry. The power of bigness, not efficiency, controls access to capital and credit.

I suggest that if the government really believes in free enterprise, if the members of the government really believe in free enterprise, if the members of the Liberal party believe in free enterprise in the best sense of the word, they should support this legislation which will reduce the charges that may be made on customer credit and therefore remove some of the disadvantages that affect small business firms at the present time.

I have other ideas as to what should be done to assist small business firms in competing with the great corporations of this country, but I suggest that this is a very urgent problem that requires attention. We should be doing something to deal with the high interest rates which are now being charged and to make sure that this part of our Canadian economy, where there is still a real measure of free enterprise, is not gobbled up by the monopolistic industries in the retail business.

Some rather disturbing figures on unemployment were presented to the house this morning by the Minister of Labour (Mr. Starr). I think the growing unemployment in this nation is another reason why the government should do something about the fabulous interest rates which are being charged. If we want to see the ordinary Canadian purchasing automobiles and television sets and buying houses then he should have the opportunity to make those purchases at ordinary interest rates. He should not be forced to burden himself and his family with the very high interest rates which are being charged. If the government would take action in the field of credit to reduce the very high interest rates which are being charged it would be possible for many Canadians to buy increased quantities of goods, which in itself would help solve our unemployment problem.

I appeal to the government not to brush this suggestion aside too quickly but to consider what is a very important problem for many Canadians and to give this bill its earnest consideration. If the government does not see fit at this time to support the principle