

Loan Companies Act

panies an amount equivalent to that percentage of the total amount of the income received, and such assessment when certified by the superintendent shall be binding upon the said companies, and be final and conclusive.

3. That the amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the superintendent, and may be recovered as a debt in any court of competent jurisdiction.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

On section 1.

Mr. ROBB: Mr. Chairman, this resolution is practically the same as the previous one.

Sir HENRY DRAYTON: I think a similar act was passed in 1922—the superintendent will recollect if I am right—giving powers somewhat similar to those in the trust case.

Mr. ROBB: Very similar.

Sir HENRY DRAYTON: That is what I thought. Was the situation exactly the same?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: What loan companies are we now inspecting?

Mr. ROBB: All loan companies incorporated under the federal parliament.

Sir HENRY DRAYTON: I could have given my hon. friend the same information. I was wondering what loan companies we still have under our jurisdiction.

Mr. ROBB: There are fifteen companies in all.

Sir HENRY DRAYTON: What is the total capital of the fifteen, the securities held by them, and their assets?

Mr. ROBB: Their paid up capital stands at \$24,939,622; the book value of their assets is \$104,858,626; their liabilities to the public are \$63,579,876.

Sir HENRY DRAYTON: How many men have we to-day working on this value of \$103,000,000 of securities?

Mr. ROBB: My hon. friend from York-Sunbury (Mr. Hanson) gave the number in the department a few moments ago—some thirty odd. There are eight or ten inspectors for all the companies.

Sir HENRY DRAYTON: We heard that in connection with the trust companies. But I want to find out how many valuers we have working specifically on loan companies.

[Mr. Robb.]

Mr. ROBB: The department gets an appraisal of the securities by experts. If we have any doubt about the appraisal we institute a special investigation.

Sir HENRY DRAYTON: Taking last year, what was the volume of valuations made of this \$103,000,000?

Mr. ROBB: A considerable portion of the real estate has been valued, and all the bonds and debentures.

Mr. HANSON: A very large portion of the assets of these loan companies is in mortgages, especially western mortgages according to the newspapers. What methods are adopted in valuing these securities?

Mr. ROBB: If it appears to the department that the securities are in bad standing, a special appraisal is made. If the interest is paid up regularly it is taken as an indication that the securities are in fair shape.

Mr. CHURCH: The minister and the government should be interested in something more than the cost of inspection of these companies and the overhead expense. Where does the public come in? Formerly these loan companies loaned fifty per cent of the value on real estate, but to-day they loan only on an average from twenty to twenty-five per cent of the value, with the result that the building of small houses is seriously restricted and the housing situation correspondingly aggravated. As the government has no housing policy such as the government of Great Britain has, some further restrictions and control of rates should be placed on these loan companies. They have been given very wide powers by parliament, but we have no control over their rates or policies. For instance, they have one rate for the farmer and another rate for the city man. Parliament has endeavoured to do something to control the banks, why should these loan companies be left to be a law unto themselves, to charge what rates they like? I think these resolutions should go to the Banking and Commerce committee for revision. It is all very well from the standpoint of revenue to inspect these companies and to charge them with the overhead cost of inspection, but what about their functions? They claim and exercise functions which parliament never intended they should have. It is over ten years since these companies were looked into and the act revised, and it is time that a survey was made, the legislation brought up to date and consolidated, with a view to the pro-