

Interest Act

regarded as a respectable rate of interest, when it is not so many years ago that it would have been considered as outrageous usury.

However, this limitation of 12 per cent would have a very great effect in curbing some of the more iniquitous practices now engaged in by firms throughout the country, and should I think form part of this government's attempts to control the increasing inflationary pressures in our economy at the present time.

I would hope to see the government either accept this bill or introduce a measure along similar lines before this parliament is dissolved. I am not going to go into the question of the small loans bill, as hon. members know what happened there. The important thing is that it got through in spite of a number of obstacles. I have not the slightest doubt that by exercising the same skill and persistence the Minister of Finance could get a bill along this line through the banking and commerce committee and through the House of Commons if he saw fit to do so.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I am sure that hon. members in all sections of the house, even though they have not participated in this debate, feel that the hon. member for Assiniboia has performed a very valuable service in bringing this matter before the house. I am sure the Minister of Finance feels that this bill deals with a very important Canadian problem.

The Saturday edition of the *Toronto Globe and Mail* contained an advertisement addressed to prospective home owners, indicating the houses which are open for inspection over the week end. I should like to mention some of the prices that are set out. In Bayview Terrace there are apparently quite a number of houses of the split level type to sell at \$32,900. In Bayview Village the prices range from \$26,000 to \$29,000. Then over in the Cloverdale subdivision the prices are down considerably, ranging as low as \$18,400 to \$19,200. In Knob Hill the prices are \$14,000, which seems about the lowest I have run across. These prices range up to \$16,900. In Lakeview Gardens the prices range from \$23,500 to \$25,000.

Out Danforth road the prices are down as low as \$14,300. In Oakville the prices start at \$29,500. Out in Pine Grove park in Port Credit you have a price range of \$30,000 to \$50,000. In Uplands Gardens in Thornhill the prices range from \$32,000 to \$34,000. On Prince George drive the prices range from \$14,800 to \$26,600.

I am quite sure there are not enough people in the greater Toronto area able to finance houses of this type out of their

[Mr. Cameron (Nanaimo).]

earnings. As the hon. member for Assiniboia pointed out, you have second and third mortgages involved in connection with these transactions, and consequently people are forced to pay rates of interest which are bound to get them into trouble very shortly. When you move into a house costing \$32,000 it is generally agreed that you should have an annual income of at least half that, or about \$16,000. There are not enough people anywhere in Canada who are able to finance all the houses which are being built for sale at these prices.

After you have moved into a \$32,000 house it is imperative that you scrap your old furniture which you may have had since you were married. The old furniture goes to the second-hand dealer, then you take on a new set of furniture for the house and pay the rates mentioned by the hon. member for Assiniboia.

Apparently many people think this is quite sound. Recently I read an article by an outstanding United States economist, who pointed out that the economists seem to be divided into three groups. One group feels that this spending spree will go on forever. The second group is of the opinion that we are about to have a minor recession. The third group considers that the present threat of inflation is much more serious than it has been at any time since 1928-29.

This economist writes a story expressing the views of a well known banker who said it is folly to think in terms of another depression, that with our fiscal and financial controls everything is under control and there is no need to worry. The economist pointed out that those opinions were expressed by a banker back in 1929 just before the crash, at a time when it was thought that everything was under control.

I submit that the proposal which has been brought before us today should receive the support of this house and the bill should be sent to the banking and commerce committee, so we may have an opportunity to examine witnesses and have before us officers of the Bank of Canada who can give us information as to the problem, as they see it, of the recurring volume of instalment buying. We should consider whether to have people who are in such desperate circumstances that they are willing to pay 50 per cent per annum in order to postpone until next year the problem they should face today is in the best interests of Canada, and whether or not we should have legislation which would put some real brakes on the small loans companies and those engaging in merchandising who apparently consider that the sky should be the limit.