

the fact that the rate of interest in the West should be higher because there is very little money placed in the banks on deposit in the West. That works both ways. There is apparently enough money generally for the purposes of the country. If there is less deposited in the West than is borrowed there must be more deposited in the East but the people in the East are not prepared to borrow it and therefore it is an advantage to the East to have the West borrowing more than it is depositing. If the East is depositing more money than it is borrowing then, it is necessary to have the West borrow that money; otherwise the East will be losing the interest on the money. So, I think that it is about as broad as it is long. I do not know if I make myself clear to the minister. If the East is depositing more money than the West, and no doubt it is, as a matter of fact there are sufficient deposits in Canada as a rule to meet legitimate requirements. Then, the West is as much advantage to the East as the East is to the West; we borrow the surplus. And with the East and the West working together, we claim we are as much advantage to the East as the East is to us.

Mr. EMMERSON: Provided there is equilibrium.

Mr. THOMSON: It is said the banks will not loan to some people unless the rates are high; but to my mind these extraordinary loans are something like gambling; that is all you can call them. Let us put the maximum rate of interest as high as necessary, and if it goes beyond that on loans the chances are these loans are not in the interest of the country, are not in the interests of the bank, are not even in the interests of the man borrowing. I know of many men who are getting money who would be benefited if they were refused. If a man is paying too high a rate of interest it is because he is too hopeful, and the chances are he will lose. Money is worth just so much; sometimes we think it is worth more than it really is, and because a man by paying a higher rate of interest is getting money when he would not get it otherwise, that results in a disadvantage all around. I think the minister will overcome the difficulties he has mentioned by adopting the two suggestions I have made. If we are to have a rate of interest fixed let us enforce it and not make a mockery of it. If the rate is too low, let us increase it, but do not let us shirk our responsibilities, let us face them like men.

Mr. WHITE: I desire to move that the committee rise and report progress and ask leave to sit again this day, the reason being that it will enable me to present the

Mr. THOMSON (Qu'Appelle).

supplementary estimates so that the members of the press gallery may get them, as otherwise they would have to wait until after midnight.

Motion agreed to, and progress reported.

SUPPLEMENTARY ESTIMATES FOR 1913-14.

A message from His Excellency the Administrator, transmitting supplementary estimates for the year ending March 31, 1914, was presented by Hon. W. T. White (Minister of Finance), read by Mr. Speaker to the House, and referred to the Committee of Supply.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILL—SECOND READING.

Bill No. 207, respecting a Patent of the Commercial Acetylene Company of New Jersey.—Mr. Maclean (South York).

BANKS AND BANKING.

House resumed consideration in Committee of Bill No. 36, respecting Banks and Banking.—Hon. W. T. White (Minister of Finance). (Mr. Deputy Speaker in the Chair.)

On section 91—interest which may be charged.

Mr. EMMERSON: When the committee rose, I was going to make some observations with respect to this section. In my judgment, the section as amended by the committee is directly at variance with previous legislation passed by this House, and with the principle which Parliament has recognized for many years. As the amendment of the committee reads, it leaves the door wide open; the banks may charge any rate of interest. I am not going to assume that banks would do so; but I know that it has been done in some sections of the Dominion, as has been demonstrated in trials of important cases in the Supreme Court, notably that of Barretts vs. the Bank of Commerce, a Yukon case. The bank there charged as high as twenty-four per cent on loans and renewals. It was held in that case that where the party had voluntarily paid the amount, he could not recover the excess beyond the seven per cent. We have on the statute-book of Canada the Money Lenders' Act, chapter 122 of the Revised Statutes. Section 6 reads as follows:

Notwithstanding the provisions of the Interest Act, no money-lender shall stipulate for, allow or exact on any negotiable instrument, contract or agreement, concerning a loan of