the banks is a policy of absorption; the large banks are absorbing the smaller ones, and becoming a larger and stronger trust every day. It would be a wise precaution and a wise provision to amend our Banking Act and provide, as is provided by the American Consolidation of 1906, that not more than 10 per cent of the paid up capital and reserve may be loaned to any one individual or corporation. Such an action would be welcomed by the shareholders of the banks and by the depositors as well. I do not think it would be objected to by most of our banks, although those who require money for speculative purposes would no doubt object to it.

We should also have a limitation as to the percentage that may be loaned to the combined directors. In the old days, there was a limitation that only one-twentieth of the discounts should be loaned to directors. I have pointed out that strong ground was taken in England in renewing charters to the banks and that provision was retained until the bankers succeeded in eliminating it some years ago.

I now come to one of the most important suggestions I have to make, that is the limitation of the amount of interest for which banks can contract. We have, as is well known, a clause in our Bank Act which says :

> The bank may stipulate for, take, reserve or exact any rate of interest or discount, not exceeding seven per centum per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

But we also have in the Revised Statutes of Canada the following provision:

> Except as otherwise provided by this or by any other Act of the parliament of Canada, any person may stipulate, allow and exact on any contract or agreement whatsoever, any rate of interest or discount which is agreed upon.

Now, we are in this position in the Dominion of Canada to-day, that if our banks see fit to create a shortage of money in this country, they can contract for any rate of interest they see fit. How has that come about? We had usury laws pertaining to our banks for many years; but our bankers, not satisfied with the privilege which the people of this country gave them of issuing dollar for dollar to the full amount of their paid-up capital, worked away until they got eliminated from the Bank Act all penalties in regard to usury, and to-day they can charge any rate of interest they see fit. It has been said to me, none of the banks contract for any higher rate of interest than 8 per cent. That is absolutely untrue. The records show that the banks will go into a town in western Canada and fix their rate there at one per cent a month. I venture to say that the hon. member for the Yukon (Mr. Thompson) will tell this House that the banks have charged the men who require money for the purpose of developing the mines in that country as high as 24 per cent. We have the evidence in cases which have gone through our courts, that 24 per cent is a common charge in the western country. Now, should that be permitted in this country? I do not want to go into a long dissertation on usury. We could go back to the old Roman days, when money lenders were permitted to charge high rates of interest, until the people of Rome were almost ruined, when they passed laws limiting the rate to 8 per cent. Coming up, century after century, we find that country after country protected its people with usury laws. Our neighbours to the south have a system of usury laws prevailing from one end of the country to the other. They have a provision in the National Banking Act, prohibiting any bank from charging more than the rate that may be fixed by the state in which it does business and the different states fix reasonable rates of interest. The producer in this country works under a great handicap when he is charged a high rate of interest; he cannot afford to pay eight, ten or twelve per cent on the money he uses in the work of production, and compete with the producers of other countries who get their money at a lower rate. In the United States the question of the rate of interest which can be charged by the national banks has been well settled by the supreme court. I might mention the rates of interest to which the national banks and the state banks are limited in some of the states of the union: Connecticut, 6 per cent; Delaware, 6 per cent; Kentucky, 6 per cent; Maryland, 6 per cent; Missouri, 6 per cent; New Hampshire, 6 per cent; New Jersey, 6 per cent; New Mexico and Indian Territory, 6 per cent; New York, 6 per cent, except on call loans, which are usually for stock purposes, for $5,000 and over, with collateral, on which any rate may be charged; Tennessee, 6 per cent; Vermont, 6 per cent; Virginia, 6 per cent; Washington, 6 per cent; West Virginia, 6 per cent; and so on through the list. Now, Sir, if the banks in the United States, which put up government bonds for 90 per cent of their value for all the notes they put into circulation, are limited to 6 per cent, why should the banks of this country, which have the privilege of issuing notes to the full amount of their paid-up capital, be permitted to charge our people any rate of interest they can squeeze out of them? I say it is unreasonable, and the time has come, notwithstanding what the Bankers' Association says, that we should go back to the old usury laws which we had in this country until the bankers had them eliminated from our banking laws. The subject of usury charged by national banks