

parliament on the ground that they would enforce the cutting of rates and thereby endanger their business, that, I think, is proof that higher rates are being charged by the provincial companies. Apart from that, we have record in the department, of course, that some of them, at all events, were charging much higher rates than the federal legislation permits. However, I am getting aside from the point.

The WITNESS: That is one of the reasons why I say that I think this business should be investigated.

HON. MR. DUNNING: All right. We will leave the question of investigation. I have already conveyed both to the committee and to the house the intention of the government with regard to the matter, and there has been no change since I last spoke to the committee in that regard.

*By Hon. Mr. Dunning:*

Q. Mr. Forsyth, I take it that two of the three companies that do business are before this committee—either have been or are?—A. Yes.

Q. And you represent the third?—A. Yes.

Q. Which is not presently before the committee?—A. That is right.

Q. If this bill passes, what effect will it have on the business of the company you represent?—A. I do not think that it will have any effect on it. I never thought it would.

Q. What rates do you charge?—A. We charge the rates that are permitted by our charter, 7 per cent discount, 2 per cent discount—that is, 7 per cent per annum discount. Our charter is a little different from theirs, in that there is not any doubt about our right to discount 7 per cent of the amount. I saw to that.

Q. I want to get at the aggregates.—A. Our aggregate charges run 7 per cent, 2 per cent, and then such portion of the chattel mortgage fee as will take the amount up to the  $2\frac{1}{2}$  in the bracket below \$180.

Q. And how much above that?—A. The highest rate they can get—the lowest rate they get on these rates is 1.85 on \$500.

Q. Is that all-inclusive?—A. Yes.

Q. All-inclusive?—A. All-inclusive.

Q. Translating all charges into terms of interest?—A. Yes.

*By Mr. Baker:*

Q. That is \$500?—A. At \$500.

*By Hon. Mr. Dunning:*

Q. What about the loans of less than \$300?—A. On loans of less than \$300, it works out in this graph of Mr. Finlayson's pretty well; at \$300 it is a flat 2 per cent—2.07, and that goes up to  $2\frac{1}{2}$  at \$181. As you decrease the size of the loan, you get 2.81.

Q. Is it a fact that the passing of this legislation would have the effect, so far as your company is concerned, of introducing a competitive element which is not present at the present time?—A. As a matter of fact, if these people wanted to charge 2 per cent now they could. There is nothing that compels them to.

Q. They would be prevented from charging more?—A. Yes, they would be prevented for charging more.

Q. And therefore you would know that competitively you had to face the rates set up in this bill?—A. As a matter of fact, if you are suggesting that has anything to do with my attitude—

Q. I am not suggesting anything at all. But you would know?—A. We would know that. I am saying to you that the amount of business we do on this thing is such that we are not from that point of view particularly interested.

Mr. FINLAYSON: Why?