

Mr. VIEN: Therefore there is no guarantee.

Hon. Mr. LAWSON: We cannot accept that proposition.

Mr. VIEN: There is no guarantee.

Hon. Mr. DUNNING: When we get away from these lawyers fighting, we might get somewhere.

Hon. Mr. LAWSON: The liability upon the lawyer is to exercise that special skill—

The CHAIRMAN: Order.

Mr. BAKER: It cost me a lot of money.

Mr. McGEER: Did you sue for damages?

Mr. BAKER: No.

The CHAIRMAN: Gentlemen, let us proceed.

Mr. McGEER: The matter I am suggesting to you is that parliament never intended to confirm to these loan companies the charges that are made by special legislation to lawyers unless the loan company actually made the disbursements.

Hon. Mr. DUNNING: That is the very thing that the department is trying to overcome by this type of amendment.

Mr. JACOBS: Yes, a flat charge.

Hon. M. DUNNING: It is just that very thing.

Mr. McGEER: Why not limit the rate of interest to 7 per cent as it was before and fix the amount that can be charged for bona fide expenses necessarily incurred? Why lump it and try to put through this thing by which, without any charge for services, bona fide or otherwise, this company can raise the rate of interest from 14 per cent to 24 per cent—

Hon. Mr. LAWSON: No.

Mr. McGEER: Yes, it can. My friend Lawson says this is not so. All right. Suppose there are no charges for services or fees.

Hon. M. LAWSON: What is the use of supposing, when the act provides for the charges? They have been getting the charges and in the net result your interest discount plus your charges have amounted to an average of 27 per cent.

Mr. McGEER: And if a man went into court and proved that there had been no services, no fees paid out, no expenses incurred, this company could still charge the 24 per cent.

Hon. Mr. LAWSON: Under the new act?

Mr. McGEER: That is what you are doing.

Hon. Mr. LAWSON: Under the new act?

Mr. McGEER: And notwithstanding that, we are asked to accept, as a committee, that there is no possible increase in the rate of interest. This is a deliberate increase in the rate of interest from 7 per cent to the legalization of a non-chargeable rate of 14 per cent and a boost again without limitation to 24 per cent. That is what this bill is doing. This is not usury. This is usury gone mad.

Mr. MARTIN: Oh, oh.

Mr. McGEER: This is not a restriction of their power over people in need to be freed from the exploitation of those desirous of multiplying money by money. This is a deliberate promotion, if it passes parliament, by parliament of those who under the force of circumstances take advantage of others.

Mr. JACOBS: Your own witness, Mr. Forsyth, complained about this legislation that it was not high enough, that the interest was not high enough.

Mr. McGEER: I think, if you will remember, that Mr. Forsyth said that the Russell Sage Foundation had always limited these loans to \$300.

[Mr. Arthur P. Reid.]