

Q. Which?—A. In accordance with the terms of the act as interpreted by the Justice department, I am given to understand by the Superintendent of Insurance on a ruling given by him.

Q. We would have liked to have had the opinion of the Justice department this afternoon but, apparently, it was thought to be inadvisable and difficult. You are rather fortunate in getting the opinion of the Justice department.

Mr. McGEER: Mr. Finlayson will have that opinion of the Justice department if it was given.

Hon. Mr. STEVENS: We threshed that out this afternoon and had a vote on it.

Mr. McGEER: Surely the committee would like to see this ruling of the Justice department which the witness has mentioned. Mr. Finlayson must have it.

The WITNESS: It was on the subject of rebates, Mr. Finlayson, as given after the amendment to the Loan Companies Act in 1934. It was the subject of discussion at that time. I understand you checked it with the Justice department.

Mr. FINLAYSON: The opinion given by the Justice department at that time—

Hon. Mr. DUNNING: When was this?

Mr. FINLAYSON: 1934. After the amendment to the Loan Companies Act in 1934 the question was whether that 2½ per cent provision in that amendment affected at all the question of rebates as provided for in the special act of the companies. The Department of Justice said that that amendment of 1934 did not affect in any way the question of rebates on prepaid loans.

Mr. McGEER: It did not apply.

Mr. FINLAYSON: Yes. The rebate provision in the special act continued to apply notwithstanding the 1934 amendment. That is one reason why we wanted to get this provision fixed up.

Mr. McGEER: Was that opinion in writing?

Mr. FINLAYSON: Yes.

Mr. McGEER: Will you produce it, and will we have it before us?

Mr. FINLAYSON: I do not think it is in these papers, but I will produce it and file it with the committee. The very question that Mr. Stevens has raised is one of the most troublesome questions that arose out of these special acts. It is one reason why we have been trying to get rid of them for three years.

Hon. Mr. STEVENS: Those are all the questions I want to ask.

The CHAIRMAN: Are you ready for the question?

Some Hon. Members: Question.

Mr. McGEER: There is just one point I want to make. As I understand this section it is a substitution for the section with the limitation of 7 per cent. That is correct, is it? It is a substitution?

Mr. REID: Are you addressing me? I am sorry.

Mr. McGEER: It is a substitution?

Mr. VIEN: 7 per cent and 2 per cent and all other charges.

The CHAIRMAN: What is the question, please?

Mr. McGEER: The amendment now proposed is in substitution for the section that puts the limitation on the interest rate at 7 per cent?

Mr. WALKER: If I may answer that question, Mr. Chairman—Perhaps Mr. Finlayson will answer it?

Mr. FINLAYSON: No, you go ahead.

Mr. McGEER: I have asked the witness.

[Mr. Arthur P. Reid.]