

you see. And I say that if you give them a 2 per cent rate on the bracket from \$350 to \$500 you are making that end of the business more attractive from their point of view, and if you reduce the 2½ per cent up to \$181 to 2 per cent you are going to make that part of the business less attractive to them; and we all know that money will go where the best returns are to be found.

By Mr. Deachman:

Q. There is just one thing I want to point out there; I think you agreed with me a moment ago, although I don't think we have it clear yet, that in the borrowers of from \$300 to \$500 they naturally have a larger field of choice, and the larger field of choice will effectively limit the rate which they can charge under this suggestion that has been made here. On the other hand, this would remain to be considered: if you give them the opportunity to work within that field, the larger ambit of their operations will tend to lower their costs. I want you to get the point of the committee. It is my viewpoint and, I think I can speak freely, the general view of the committee, because we are all members—the object is to reduce the rate to those within the lower brackets. We are not interested so much in those above \$300 to \$500.—A. Well, all I can say is this, that if you do as I did and you make inquiries in places where this business has been done—if you do as I did, I think you will come to the conclusion that when you reduce the rates in the lower brackets below a certain point, then business ceases to be done in the lower brackets.

Q. Quite so. But there is a difference of opinion as to what constitutes that point. That is the arguable point between us, and we can never arrive at a conclusion.

Hon. Mr. DUNNING: Might I ask the witness a few questions, Mr. Chairman. I have not much time. I hope the committee will excuse my non-attendance. I have no doubt at all, from what I have read of the proceedings, that you have been doing very well.

By Hon. Mr. Dunning:

Q. Mr. Forsyth, there are, I believe, three federally incorporated companies?—A. There are more than that, but there are only three operating.

Q. There are only three operating?—A. That I know of.

Q. Can you tell us how many provincial companies there are?—A. I am now compiling that list, and it is rather difficult to get. But there are very many.

Q. There are very many?—A. Yes.

Q. Incorporated in the various provinces?—A. Yes.

Q. Can you tell us what are the rates charged by the provincial companies that do the business?—A. They vary in very great degree.

Q. Do their charters provide for that?—A. I do not think the charters restrict the rates. They go on and formulate their own schemes. They have various schemes—I will not say of evading, because that is a bad word, but of avoiding, at any rate, sections of the Interest Act. We had some of them described to the Senate committee.

Q. Is it correct to say that the general practice of the provincially incorporated companies is to charge higher rates than are permitted by federal law?—A. I think that is so.

Mr. LANDERYOU: Where is the proof?

Hon. Mr. DUNNING: I am asking the question. I am trying to find out.

Mr. LANDERYOU: Has he any proof?

The WITNESS: I have not any evidence right here that would satisfy you.

Hon. Mr. DUNNING: If I may answer that question, inasmuch as I have letters from certain provincial companies protesting against the bills now before

[Mr. Lionel A. Forsyth.]