

Mr. FINLAYSON: I wonder if it would not be better for me to make a note of these things in which I am involved, and let Mr. Cleaver continue with his examination.

Mr. VIEN: Yes.

The WITNESS: What I would like to say is that I may be mistaken. I do not want through lack of memory or anything to be misleading this committee. If Mr. Finlayson says he did tell me anything of that kind, and tells me when he did it, I will try to remember it. But I do not think he put it that way to me.

Mr. FINLAYSON: I will just introduce this, that in 1934—the session of 1934—the Discount and Loan Corporation introduced a private bill into the house revamping their special act. It passed the Senate and came before the Banking and Commerce committee of the House of Commons. I prepared a long memorandum for the committee on that bill, which was mimeographed and distributed to the members of the committee. I opposed the bill, and in the discussion in the committee I suggested the substitution of a clause prescribing the rates, wiping out the complicated system of charges in the special act and substituting a flat monthly rate of 2 per centum per month on the unpaid principal balance of the loan. I have here a copy of the memorandum I used before the Banking and Commerce Committee. As I recall it, Mr. Forsyth appeared as counsel.

The WITNESS: That is right.

Mr. FINLAYSON: In the committee.

The WITNESS: That is quite right.

Mr. FINLAYSON: He argued against my proposal and he beat me.

Mr. VIEN: Mr. Finlayson, could you tell the committee what was Mr. Forsyth's suggestion in answer to yours?

Mr. FINLAYSON: Well, perhaps I had better not take any more time. I can go into that very fully later on.

Mr. VIEN: What I would have liked to get—you gave very specifically what the attitude of the department was, which was for a flat basis rate and the rate should be 2 per cent per month on the reducing balance?

Mr. FINLAYSON: Yes.

Mr. VIEN: What was the opposing side?

The CHAIRMAN: Now, Mr. Vien and Mr. Finlayson, let us suggest to Mr. Cleaver that he ask that question from Mr. Forsyth.

Mr. VIEN: I suggested to Mr. Cleaver, and I would still suggest to Mr. Cleaver, that he ask Mr. Forsyth, if it is in order with your proposed question, as to what was the attitude that he suggested or adopted at that time.

*By Mr. Cleaver:*

Q. Mr. Forsyth, you have heard what Mr. Finlayson has said in regard to the kind of rate which he favoured and which he thought would be fair. What was your attitude at that time? Mr. Finlayson says you were opposed to it. What rate did you favour at that time?—A. My attitude at that time was that I was amending a charter which already existed, and charters somewhat similar in form existing with respect to other companies. My attitude was this, as it is now, that the way to set these rates is not to take one company out of two or three and legislate piecemeal for them, but to at any rate preserve some semblance of order about the thing. I said this, and I said it later, that I thought Mr. Finlayson's 2 per cent rate was wrong, and I still think it is wrong.