

particular bill; and I happen to know because I sat in the Senate as a spectator and listened to the argument; I listened last year to the argument when these gentlemen were before the Senate committee urging an amendment to the general Act. I followed the discussion with great care. I attended many meetings and was greatly interested; so that I am not unfamiliar with the fact that the Senate has given deliberation to this matter. I unfortunately did not agree with the conclusions they arrived at, but this bill provides among other things: Regarding repayment—now, I would ask the promoters of the bill if they will follow the matter, because I do not wish to be unfair, and if I happen to make a misstatement it will not be intentional I assure you.

The CHAIRMAN: You invite their checking your statement?

HON. MR. STEVENS: Yes, I am inviting it. I will be very glad if they would, because I certainly want to be fair.

Section 3 of the bill, and in the proposed substitute section 6, in subsection 2, we find that: "The company shall expressly permit the borrower to repay the loan or any part thereof at any time before its due date, without notice or bonus, but the company may apply such payment first to all charges in full at the agreed rate up to the date of such payment." Now, I think I have read the substitute bill right. It is a different provision. They may be prepaid at any time by payment of principal, any part of the aggregate charge accrued or owing, and an additional payment of the aggregate charge for one month in lieu of notice. I submit that that is quite different to the proposal in the bill which we are asked now to reject. I would invite Mr. Reid's comment on that.

The WITNESS: Yes. There is only this, Mr. Stevens, that when we proposed to deprive ourselves of the bonus of one month, or rather not to take the bonus at all, that thought was predicated on a rate of 2.25 per cent per month. With the reduction of the rate to 2 per cent that one month's payment of course is going to be necessary. We anticipated the higher rate. In the one case you have two and a quarter per cent without bonus and in the other case you have two per cent with a month's bonus.

By Hon. Mr. Stevens:

Q. Why don't you say this is increasing the charge to the borrower?—A. No, it is a substantial decrease in the charge to the borrower as compared with the present time—in lieu of three months' bonus.

Q. Not in this bill?—A. Within your period of loans.

Q. Don't confuse; I put my point very clearly. I am referring to your powers now, because you come before us with this bill and ask us to abandon certain powers?—A. Yes. I still maintain that the borrower will be better off with the 2 per cent rate and one month's bonus which is proposed, than he would be under the other section, under the two and a quarter per cent without bonus.

Q. Take a borrower who borrows \$200 or \$300 and who repaid it in two months—A. I explained this morning that those cases were very very rare.

HON. MR. STEVENS: Mr. Chairman, might I draw your attention to this, that whenever one raises a point which has some merit we are always met with the argument, well this company very seldom does it; just as a moment ago it was argued and apparently accepted by the committee that the company had no intention of granting loans on endorsements while they did grant them last year. The records are here, and they have the power to grant them. What I am saying, Mr. Chairman, is that we cannot, in making legislation, do as Mr. Finlayson said a moment ago—take the word of the company that they have no intention of taking advantage of that power. Surely, Mr. Chairman,

[Mr. Arthur P. Reid.]