

at least I have never known of a case. I have never known of a bank in eastern Canada asking for more than seven per cent interest during the last ten or twelve years, although it may be possible that they have done so. I know that a very large amount of money is loaned at six per cent, but so far as our portion of Canada is concerned, I do not think there is very much fault to find with the amount of interest charged by the banks. I think it would be better to leave that seven per cent in the Act. While the minister does not think it is of much legal value, and probably, in view of the decision of the Privy Council, it is not, I would rather see it left that way than have a maximum of eight per cent provided, for I fear that if we fix the maximum at eight per cent, in many cases the banks would say, if we are compelled to do business for less than it costs us in the West we will have to make it up in the East, and probably the borrowers in the East would suffer. Between the two evils I would choose the least, and therefore I think it would be better to leave the section as it was originally.

Mr. CLARK (Red Deer): I am very sorry to take up any of the time of the committee on a matter which has been discussed so much, but I have certain opinions which I voiced on the second reading, and which I feel impelled to repeat now. Throughout my life, ever since I could do any thinking, I have considered that it was a misfortune to have any law upon the statute book of a civilized country which was not respected and enforced, I do not care against what class of society that law is directed, or against what proceeding of society. Now the original clause reads in part:

The bank may take any interest not exceeding seven per cent, but no higher rate of interest shall be recoverable by the bank.

If that clause has any object, it is to assert that the law of Canada, as applied to banks, is that they shall get seven per cent interest upon money as the maximum. What are the facts, Mr. Chairman? In the province of Alberta, if a man goes to the bank, it is not a case of collecting interest before hand; he is presented with a note. If his credit is good his own name will be accepted on the note, if not, he is required to have the signature of another citizen of repute. On that note he promises to pay eight per cent, and the banks invariably collect that eight per cent. I say it is a misfortune that in a country in the British Empire we should, with our eyes open, enact this clause and have this proceeding go on. I do not wonder that a lawyer of the eminence and repute of Chief Justice Moulton should have given the decision he did, because by that decision I think he

Mr. CARVELL.

inferentially expressed his absolute contempt for that clause as a piece of legislation. I have not his private opinion, but I am perfectly certain that if I got it, it would be what I am expressing at the present moment. I would be surprised if it were otherwise. I do not know what answer my hon. friend the Minister of Finance and other hon. gentlemen on the other side of the House may make to what I am stating. It may be said that when a man signs a note at the bank to pay interest of eight per cent in six months, he does so with eyes open, and makes a contract. I quite agree, but he cannot help himself. He needs the money. The point is that the law of the land says that you shall not take more than seven per cent, and the banks proceed incontinently to take eight per cent. I do not know how this assembly can respect itself if it knows the facts and enacts this clause. I can only explain the fact that more borrowers do not take advantage of this clause on two grounds. One may be that they do not know anything about the clause, and I think that is true of the great majority of them. The other may be that they are so upright, that when they sign a contract they feel like standing by it. Suppose the latter is the explanation. It would be so in my own case; no man can be surer of another man's uprightness than he can be of his own. Suppose the latter explanation is the true one, what conclusion must we draw? Why, it is that the morality of the ordinary borrower in the province of Alberta is higher than that of the Parliament of Canada, because Parliament enacts a clause which extends an invitation to financial immorality on the part of the borrower, who can sign a note saying: I promise to pay eight per cent but who, if he knows enough, may say at the end of six months, you can whistle for your eight per cent for all you are going to get is seven per cent. If Mr. Justice Moulton had a poor opinion of the original clause, I would not like to think what his opinion would be of the amendment. But as the minister has dropped it, I do not want to criticise it. I never lick a dead foal. I do not favour any clause, I could not favour any clause, which says that the banks cannot take more than seven per cent and which yet allows them to take eight per cent. I could not do that and respect my intelligence and common sense. I hope the minister and the committee understand where I am at. I am certain that the people of Alberta do. One thing the people of Alberta do not understand is why they should pay eight per cent while the people of Saskatchewan pay only seven per cent. But if he cannot make better legislation, I suppose we will have to go on paying the extra one per cent.