

Q. You said this morning—A. Oh, yes, I think they are in the banking business; and I still agree with that.

Q. If these companies were not allowed to operate, don't you think the borrowers would go to the bank?—A. The ones from \$300 to \$500?

Q. Yes.—A. Yes, I think they would.

Q. Is it not possible to go for loans from \$50 to \$300?—A. I do not know your experience, but I was brought up in a small town in Nova Scotia, and I got friends to endorse notes for \$1,500 for me and the banks always took them.

By Mr. Jacobs:

Q. Why did you leave the small town?—A. Because they would not loan in larger amounts.

By Mr. Landeryou:

Q. You have not the rates that are charged by these companies operating under the provincial charter, have you?—A. I have not got them here.

Hon. Mr. DUNNING: Mr. Finlayson can give evidence on that point.

Mr. LANDERYOU: I would like to hear the rates.

Mr. FINLAYSON: We have had a number of cases referred to the department in correspondence. In a great many cases they are in excess of 100 per cent per annum. In my file I have a broadcast of the Better Business Bureau of Toronto in which two instances are given, one of about 160 per cent per annum and the other of about 258 per cent per annum.

Mr. LANDERYOU: Those companies are chartered by the provinces?

Mr. FINLAYSON: Most of them are chartered by the provinces, some of them are not chartered at all. Remember, they are individual lenders. Perhaps, they are the worst.

The WITNESS: I do not think you can say that the province has examined rates. I do not think they have ever approved any of those rates.

Mr. FINLAYSON: The provinces do not fix rates at all. They incorporate the companies and then let them do as they like.

By Hon. Mr. Dunning:

Q. Have you difficulty in getting actual proof of any system?—A. I am collecting a lot of information on that.

By Mr. Landeryou:

Q. The company you are associated with are allowed by special act of parliament to charge 7 per cent discount?—A. Yes.

Q. And you stated this morning that in your opinion 7 per cent discount in reference to the Central Finance Corporation was not legal?—A. The charters are different.

Q. That is because the charters are different?—A. Yes.

Q. It appears to me that these bills are brought before us without a full understanding of the legality of the 7 per cent discount. The courts—the crown does not give us any opinion as to whether 7 per cent discount is legal. So I move the adjournment of the discussion of this bill until we have secured the opinion of the law officers of the crown as to whether or not the Central Finance Corporation has been entitled by law to charge the rates they have been charging up to the present. We should have some understanding as to whether they have been operating legally or illegally in charging these rates of interest. I feel we should have some information from, at least, the legal advisers of this committee.

Mr. JACOBS: There is a motion before the committee.