

ment, quite contrary to the Royal Commission. The government does not believe that Royal Commission is the best approach to the subject. That will be done, whatever is done with these bills. Speaking this afternoon, I indicated what I thought was the issue. There are three courses open. Parliament can direct me not to issue licences. It can do that. Why not discuss whether you should or should not? In my opinion, the result of that would be to throw this business into the hands of those companies which are provincially incorporated or not incorporated at all, and in which I have ample evidence to satisfy me the charges are higher.

Mr. McGEER: Why is the law not enforced?

Hon. Mr. DUNNING: Why, Mr. McGeer, the provincially incorporated company is under the Interest Act as far as its interest charges are concerned. But what about its other charges? You speak of interest as though that was the important matter to the borrower. What matters to the borrower is what he has to pay, you can call it what you like. And when I say that I have had protests from provincial companies against this legislation because it tends to interfere with their business by bringing about lower interest rates, you can understand my attitude in that regard. Now, I say the first choice obviously is let us not issue any licences; leave the business as it was for many years in the hands of those who were incorporated by the provinces or who were not incorporated at all—the loan shark—for a year. Secondly, you can refuse to adopt this amendment. That would have the effect of leaving the company precisely where it is. The superintendent of insurance has assured me that this proposal involves a lower charge for borrowers. There is that benefit. Perhaps it is desirable that even that benefit should not be given. The third alternative, of course, is to pass this with the assurance that parliament is going to definitely make an attempt to deal with the situation at the next session along the lines that I have suggested. I do suggest, in all seriousness, that there is enough before the committee in these three courses to enable the committee to choose one of the three. For myself I do not care what decision is made; only I do think that those who come here are entitled to a decision. I think that is only fair.

Mr. McGEER: I think the question I raised—and I raised it for the very important reason that, confronted as we are with the proposal to increase the capital of this company to five million dollars—

The CHAIRMAN: Mr. McGeer, that has passed the committee.

Mr. McGEER: I know. Now we move into the very doubtful field of giving the right to charge fees and service charges over which parliament has no jurisdiction, because that comes, under the recent decisions, if I have read them correctly, within the realm of property and civil rights. All that this parliament can authorize is the interest rate. They certainly cannot fix the terms of a contract which goes beyond the interest rate.

Hon. Mr. DUNNING: I am not a lawyer, but is it not correct that we can authorize what we like for dominion companies?

Mr. MARTIN: Certainly.

Mr. McGEER: No, you cannot.

Mr. JACOBS: On interest.

Mr. McGEER: That is exactly what you tried to do in the general programme of unemployment insurance, and that is exactly what the privy council and the Supreme Court of Canada told you you could not do.

Hon. Mr. DUNNING: I cannot enter into a legal argument.

Mr. MARTIN: This is company law.

Mr. McGEER: This is not company law. This is dealing with the contractual relationship of borrower and lender in a province, and it fixes the term upon which the contract of borrowing and lending may be enforced.