

Q. Based on whatever experience you have, what should the rate be?—

A. Well, I think the rate on a loan of \$100 and less should be 3 per cent per month. That is what I think it should be.

Q. And from \$100 to \$300?—A. And from \$100 to \$300, I think it should be 2 per cent.

By Mr. Martin:

Q. Two per cent?—A. That is what I think.

By Hon. Mr. Stevens:

Q. Is that in accordance with your pamphlet?—A. No. That is a lower figure than I had in that brief.

By Mr. Cleaver:

Q. Coming back to exhibit 1, page 4, paragraph 2, you knew that the rates provided—

Mr. TUCKER: You might as well ask what he thinks in regard to loans over \$300.

Hon. Mr. LAWSON: He does not think they ought to be allowed.

Mr. TUCKER: You might ask what rate he thinks they should be allowed.

The WITNESS: After the submission of this memorandum to the Senate committee in which I had advocated rates higher than I say now, I got more information; and before that Senate committee was over I stated then that I did not think the rate above \$300 should be more than 1 per cent a month. Now I have come to the conclusion that they should not be permitted to make those loans at all.

By Mr. Jacobs:

Q. May I ask you this question, Mr. Forsyth: Your firm is general counsel for the Royal Bank of Canada, is it not?—A. I believe it is, yes.

Q. I think it is well that this fact should be before the committee.

By Mr. Vien:

Q. Is your opinion influenced by that fact with respect to loans of \$300 and above?—A. The fact that I am acting for the Royal Bank?

Q. Yes?—A. Not at all.

Q. How can you draw the line as between \$300 and \$500? If it is permissible for such a company to loan \$300, why should it not be permissible for them to loan \$500?—A. Because, Mr. Vien—the only reason that I can see for giving any of these companies authority to charge rates higher than those permitted by the Interest Act for these loans is so that they will give the necessitous borrowers an opportunity to get money at rates which, at any rate, are far more reasonable than those charged by loan sharks.

Q. Do you not think there might be necessitous borrowers in the brackets of \$300 to \$500?—A. I think not, for the reason that the Russell Sage Foundation made a very comprehensive survey in this matter and after studying the whole situation in the United States they fixed \$300 as the top limit. Only yesterday, in a conversation with a gentleman who supervises small loans in the State of Massachusetts, he told me that that was his belief, after an experience of some fifteen years.

Q. Is there not legislation in the United States to the effect that small loan companies are not permitted to do that?—A. The uniform small loan law.

[Mr. Lionel A. Forsyth.]