

thereon, or therefor, of every nature and kind, other than interest, all disbursements (except for registration fees as hereinunder provided) made in connection with the loan, and all other fees, charges or services whatsoever arising out of or incidental to the loan." Now, I think those words will prohibit a charge under any collateral agreement. That covers that point. The penalty in the existing charter of the company you will find in subsection 2 of section 10 of the bill.

Hon. Mr. STEVENS: I am asking what is substituted in this.

Mr. CLEAVER: He is telling you.

Mr. FINLAYSON: The original penalty in the original special act remains.

Mr. COLDWELL: In the meantime, the Senate has passed the bill and there is another penalty in that bill. They must have had some reason for including that penalty. What is substituted for that penalty in the bill in the House of Commons.

Mr. FINLAYSON: I will read the penalty. I will read from the company's special act as passed in 1928, chapter 77, subsection 2 of section 5:—

Any officer or director of the company who does, causes or permits to be done, anything contrary to the provisions of this section shall be liable for each such offence to a penalty of not less than \$20 and not more than \$5,000 in the discretion of the court before which such penalty is recoverable, and any such penalty shall be recoverable and disposed of in the manner prescribed by section 98 of the Loan Companies Act.

That is the penalty to which the company is subject now; and by this substitute provision that penalty is restored, so that the provision with this substitute section is exactly the same as in the special one.

Hon. Mr. STEVENS: I cannot agree with Mr. Finlayson.

Mr. FINLAYSON: I am trying to make it clearer.

Hon. Mr. STEVENS: No. No. What I am arguing, Mr. Chairman, is that the Senate in this bill and in dealing with the specific question of additional charges provided a specific penalty therefor which was, not that any officer or director of the company may be prosecuted and fined. That is in the original act. That deals, Mr. Chairman, with general delinquency in the operation of their company. It deals with anything they do that is wrong and contrary to the act; and it might well be argued, as Mr. Finlayson argues, that the penalty could be invoked against a director or officer of the company if they charged something beyond what is provided for in this substitute bill. But in the bill as it is before the committee it is an entirely different penalty, and one which, I think, is far more effective; and if we are holding in mind the protection of the borrower, then I submit that we are relinquishing a very effective measure which is presently in the bill. We are relinquishing a very real protection, and I will read it again:—

If any interest, consideration or charges in excess of those permitted by this act are charged, contracted for or received directly or indirectly and whether by means of affiliated companies, collateral agreement or otherwise howsoever, the contract of loan shall be void. . . .

Now, that is a vastly different penalty from that which Mr. Finlayson has described. Furthermore, you will note that it says in our terms—and Mr. Finlayson would be the first man to say this—terms which in the experience of administrators show that it is extremely difficult to control this money-lending business. That is one of the difficulties they have. The Senate, knowing that,