

of a sum of money as the cost of a loan which shall not exceed an amount equivalent to the amounts or rates herein prescribed, namely, in the case of a loan for a period of fifteen months or less, two per centum per month on the amount actually advanced to the borrower and monthly balances thereof from time to time outstanding and in the case of a loan for a period greater than fifteen months, one per centum per month on the amount actually advanced to the borrower and monthly balances thereof from time to time outstanding and in addition thereto such proportion of one per centum per month on the said amount and balances as fifteen is of the period of the loan expressed in months:

Provided, however, that every loan shall be repayable in approximately equal instalments of principal or of principal and cost of the loan at intervals of not more than one month each, and on default in the payment of any instalment, interest shall accrue thereon from the date of default at the rate fixed by the contract as the cost of the loan, but if default in the payment of any instalment continues beyond the date on which the last instalment of the loan falls due, interest shall accrue thereon at a rate not exceeding twelve per centum per annum from such date:

And Provided, further, that the cost of the loan or any part thereof or any interest accruing after default shall not be compounded or deducted or received in advance:

And Provided, further, that the borrower may repay the loan or any part thereof before maturity on the date on which any instalment thereof falls due, without notice, bonus or penalty, but the borrower shall, when making such repayment, pay the portion of the cost to the loan accrued and unpaid up to the date of such repayment.

Mr. Stevens moved,—

That the following words, at the beginning of the subsection, viz:— “Notwithstanding anything contained in the Interest Act” be deleted.

Amendment carried.

On motion of Mr. Vien,—

Resolved,—That subsection (2) of section 17 be adopted as amended.

On motion of Mr. Vien,—

Resolved,—That the following new section 23 be added to the draft bill, viz:—“The date of the commencement of this Act shall be the first day of January, 1939.”

Mr. McPhee moved that Lionel A. Forsythe, K.C., representing Discount and Loan Corporation, be allowed to make a statement.

Motion carried.

Mr. Forsythe then made a statement suggesting that Part One, Sections 16 and 22 be amended so that Schedule 2 (C) be struck out of the draft bill.

Mr. Thorson asked leave to revert to section 14 of the draft bill.

Mr. Vien moved that the draft bill be reprinted as amended.

Motion carried with the understanding that Mr. Thorson's request would be granted at the next sitting when the reprinted bill is before the Committee.

The Committee adjourned to the call of the Chair.

R. ARSENAULT,
Clerk of the Committee.