

not mean anything. I think it is quite plain. The amendment as I understood it says this: All charges and all disbursements made in connection with a loan, and all these charges relative thereto, necessarily and in good faith incurred by the company. Now then, what charges are disbursements, and what charges are necessarily and in good faith incurred if a person simply renews his loan? Now then, if it gives that as a matter of course then the amendment does not amount to anything; and that as a matter of fact is what I am not quite sure on, and was not when I thought it over by myself before I came back to the committee; that this amendment does not mean a thing; I mean, in regard to restricting these charges. It does mean this; that it does not increase the rate of interest to 24 per cent; but it apparently lets the company make a charge for services which it does not render. I thought the insertion of the words, necessarily and in good faith incurred, into the amendment would have the effect desired, but if it does not restrict the company in any way it does not do what I expected it would do.

Hon. Mr. LAWSON: In respect to a renewal, surely no one would expect anyone in the business of lending money to be so negligent as not to investigate—

Mr. TUCKER: You don't have to charge them for a chattel renewal—

The CHAIRMAN: Order, Mr. Tucker, please.

Hon. Mr. LAWSON: You would not expect anyone to be so negligent as to renew a chattel mortgage or a loan such as this without ascertaining whether a man's income were the same as it was before, and without ascertaining whether the chattels held under the mortgage were in existence as formerly; without going practically through the same formula as before. Then, another point with respect to a chattel mortgage is that it has got to be replaced at the end of one year. In order to be legal it has to be renewed at the end of every year, or it no longer gives security against subsequent creditors without notice—

Mr. TUCKER: A renewal is not so hard to draw as the original.

Hon. Mr. LAWSON: My recollection of it is that it is just as lengthy.

Mr. TUCKER: This company is doing business in Ontario—

Hon. Mr. LAWSON: I heard some one say, and I think it was a lawyer at that, that it was a simple thing to draw a chattel mortgage. All I have got to say is that if anyone wants to read the law reports of the province of Ontario they will find that there are more chattel mortgages set aside for defects than any other security of any kind ever drawn by any lawyer in the province of Ontario. It is very technical, it has to comply with the Act. It is completely statutory, and unless you comply with all the provisions of the Act you are going to run into difficulties. I heard some gentlemen here say that they would be glad to take the job of turning out chattel mortgages in their law offices for \$5 apiece. Well, all I can say about that is that the solicitor is practically a guarantor of the sufficiency of the security, and I for one would never dream of drawing up a chattel mortgage for anything like the fee suggested here. I abhor the sight of one whenever it comes into my office. I submit in respect to this type of business that they do incur practically the same expense in connection with a renewal as is the case with a loan.

Mr. McGEER: That would be true if it were not for certain facts which are perfectly evident to anyone who stops to think about it. In a renewal in a case like this you have the record of performance of the man who has made the loan. In addition to that, as is clearly indicated, you have very close supervision of this man's activity during the period of the currency of the loan. I mean, this company prides itself on that check. There are, of course, persons who are not accustomed to drawing chattel mortgages to whom such business would present quite a problem, and to them a chattel mortgage would be a special document; but this type of chattel mortgage is largely reduced to a basis of standardization similar to that found in a bill of lading, which is the