

The CHAIRMAN: Gentlemen, suppose we allow Mr. McGeer to finish his statement.

Mr. McGEER: And it had gone further than that, and had been inclined, by keeping this type of loaning company under \$300, to eliminate the other type of loaning company or loan shark that was not charging a reasonable rate of interest. I think Mr. Forsyth also pointed out that where you make the higher rate on the over \$300 to \$500 loan, you are putting a 24 per cent rate into the legitimate banking business.

Mr. JACOBS: They are in competition with the legitimate banks.

Mr. McGEER: Let me ask the Minister of Finance a question.

Mr. MARTIN: May I ask you a question?

Mr. McGEER: Yes, I will be delighted.

Mr. MARTIN: I am very glad to hear that. The evidence this afternoon of Mr. Forsyth indicated that, under the arrangement which you are now discussing, the rate would actually be higher than the rate proposed and the rate which will be in effect if this amendment carries.

The CHAIRMAN: Mr. Martin, I object to your rehashing what was said this afternoon.

Mr. MARTIN: I just wish to bring Mr. McGeer up-to-date.

The CHAIRMAN: I know. But Mr. McGeer wants to ask the minister a question.

Mr. McGEER: Yes. Suppose we passed this legislation for a five million dollar corporation. Upon what ground would we deny the Canadian merchant banks the right to charge the rate of 2 per cent a month on loans up to \$500?

Hon. Mr. DUNNING: Will you permit me to answer that?

Mr. McGEER: Yes.

Hon. Mr. DUNNING: I understand, of course, that there are legitimate means in a committee of this sort to keep on asking over and over again the same questions and get them into the record and so on. But I do suggest for the consideration of the committee before answering the question, that there is an element of fair dealing with those who come here and pay their fees for the right of a hearing. I think that if they are to be turned down, they should be turned down frankly and openly. I suggest that seriously. As is well-known, I have no love for this type of business. I am very desirous of reforming it—very desirous of reforming it—I think as seriously so as any member of this committee, as I think all will agree. As the responsible minister with respect to general legislation of this character, I have had to spend a great deal of time with the superintendent from time to time with regard to the problems surrounding it. I do not think there is a member of the committee but will admit that the examination which has been given to this bill has added to his knowledge of the problem surrounding it. I said at the outset of these proceedings what I repeat to-day, that the parliament of Canada can say, if it wishes,—and I only want the instruction from parliament, perhaps on the recommendation of this committee, that no licences should issue from the Department of Finance for federal companies to do this business, and that will be done. Questions such as Mr. McGeer asks now are not questions which are to the point at all. I submit to his judgment. He asks the question: How can the government, the parliament of Canada, deny to the chartered banks the right to do this class of business in the manner which these acts provide for? The answer to that is very simple. The parliament of Canada has always denied to the chartered banks of Canada the right to do this class of business in this way, and the chartered banks of Canada never have done this class of business in this way.

Mr. LANDERYOU: The personal loan department of the Bank of Commerce is in this.