

Mr. McGEER: Is there any reason to justify the reductions? By the amendment you are giving a flat rate of 2 per cent. That is the way this amendment reads. That is considerably more than the company had even under its own computation before.

Mr. VIEN: It is an opinion.

Mr. JACOBS: May I ask you this question: why select this company and restrict them to \$300 when there are two other companies functioning on loans up to \$500?

Mr. MARTIN: And the companies under the Money Lenders' Act.

Mr. McGEER: I do not think we should allow that. What I am proposing is a start.

Mr. JACOBS: You cannot make a change with regard to those companies this year.

Mr. McGEER: I have suggested a way by which it could be done if we want to deal with it.

Mr. MARTIN: You as a lawyer know it cannot be done. Go on.

Mr. McGEER: What I am saying applies to all companies. It is regrettable that it has not been attended to before. I do not believe the privilege should ever have been given to extend loans up to \$500 because the standard and well established practice in this has gone into instalments in this type of legislation as a remedial measure, and has gone very far in fixing the limit at \$300.

Mr. MARTIN: What were the circumstances that provoked that?

Mr. McGEER: I venture to say you are going to see these lending operations on a very different basis during a time such as we are enjoying to-day as compared with conditions that obtained during the last seven years. It has to be remembered this company has gone through one of the most trying depressions due to a shortage of money.

Mr. REID: No.

Mr. McGEER: They admit going through successfully—

Mr. REID: May I just interrupt you for a second if you don't mind. On several occasions now I have tried to explain to this committee that the bulk of this business has been put on our books during the last four years after we started to come out of the depression. The Household Finance Corporation acquired control of this company in 1933. Since that time the business has increased nearly eight-fold. Therefore the bulk of our business, certainly the business that is on our books to-day, has been put on since that took place. That expansion has taken place during the last four years, after we started to come out of the depression. It is not business that came to us during a period of depression at all. People come and borrow money from us not when they are out of work but after they get back on the job and realize that they have certain debts they want to pay. Their creditors know they are back on the job and want their money, and rightly so. And it is these honest, decent people who want to stand on their own feet, hold their head up, who come to us and borrow money. When they have some assurance of their own capacity ahead of them they come to us. So it is quite unfair to say that this business has weathered the depression. We have not. We have not gone through a depression in Canada. We do not know what would happen in a depression. As I explained on a couple of occasions it is very hard to say what would happen to this business if there was an epidemic of flu, or if we had floods, or another depression such we experienced from 1929 to 1933, for instance, or if we had a war. We do not know what the hazards are in this business.

The CHAIRMAN: Proceed, Mr. McGeer.