

urgent need for the interposition of the Legislature with a view to removing the evil." *Remedies*.—Regarding it as of the utmost importance that no Legislature should interfere with legitimate trading, it was necessary to consider in what way transactions of professional money-lenders may be distinguished from ordinary commercial transactions. No satisfactory definition of the term "money-lender" had been suggested. Nor was such definition necessary. The Committee concluded that the transactions would be sufficiently distinguished by the expression "transactions with persons carrying on the business of money-lender in the course of such business." The two fundamental proposals made to the Committee were:—"(1.) That Parliament should enact that any interest above a certain rate on loans advanced by professional money-lenders should be irrecoverable at law, or (2.) That the Courts should have power to go behind any contract with a money-lender, to inquire into all the circumstances of the original loan and of the subsequent transactions, and to make such order as may be considered reasonable." As regards the first, since a high rate of interest is not in itself incompatible with fair dealing, no limit of interest could be prescribed which would be adapted to the widely different conditions under which loans were contracted. If a maximum rate of interest were fixed by statute the rate would tend in all cases to rise to the maximum. Moreover, any hard-and-fast rule would be evaded. The Committee do not, thereof, recommend any statutory limitation. As regards the second proposal, which was supported by high legal opinion (Mr. Justice Mathew recommended the limitation of interest to 10 per cent.), the Committee say, "After carefully considering the whole of the evidence and opinions, your Committee have arrived at the conclusion that the only effective remedy for the evils attendant upon the system of money-lending by professional money-lenders is to give the Courts absolute and unfettered discretion in dealing with these transactions. They therefore recommend that all transactions, by whatever name they may be called, or whatever their form may be, which are, in substance, transactions with persons carrying on the business of a money-lender in the course of such business should be open to complete judicial review. That in all legal proceedings to enforce, or for any relief in respect of, a claim arising out of such transactions, the Court should have power to inquire into all the circumstances of such transactions, from the first transaction up to the time of the judicial inquiry. That in such proceedings the Court should have power to reopen any account stated in the course of such transactions, to direct that an account be taken upon the basis of allowance of such a rate of interest as shall appear to be reasonable, having regard to all the circumstances, and to make such order as the Court may think fit." That, having regard especially to the fact that money-lenders frequently take from borrowers promissory notes, or bills of exchange, which are negotiable (the borrower having no defence against the claims of the holder in due course), the Court shall have power to direct repayment by the money-lender to the borrower of any amount paid to such holder over and above the amount which the Court may direct to be reasonably due to the money-lender. That a borrower should be enabled, agreement to the contrary notwithstanding, to apply to the Court for relief from his bargain upon payment of the principal and such interest as the Court may deem reasonable. That the discretion suggested should be exercisable by any Judge of the High Court, or of a County Court. That there should be no right of appeal from any such decision, except by leave of the Court. That no renewal of the loan should be valid so long as the judgment remains unsatisfied. In view of the fact that borrowers will often submit to any degree of oppression in order to hide the consequences of their folly or misfortunes, the Committee consider that to make these remedies effective the Court should have power to hear any money-lending case in private. Concerning *Bills of Sale*, the Committee recommend that the minimum limit for all bills of sale should be raised from £30 to £50; that twenty-one clear days' notice should be substituted for five clear days under section 13 of the Bills of Sale Act; that goods assigned should not be removed by the grantee or his assignee; that every such bill should be attested and fully explained by the Registrar of the County Court in which the borrower resides; that the Registrar shall be satisfied that the whole amount has been paid over (the bill otherwise to be void); that the exact amount of principal advanced and rate of interest per annum shall be clearly stated in the instrument; that only certified bailiffs shall be empowered to take possession of goods, and that no such bailiff shall be allowed to carry on the business of a money-lender; and that any bill of sale which may result in the evasion by the grantee of the Bills of Sale Act, or amendments thereto, shall be void. The Committee recommend that when money-lending transactions are conducted by absolute bills of sale, accompanied by a hire-purchase agreement, such agreement should be registered with the bill of sale. *Warrants of Attorney and Cognovits*.—The Committee recommend the abolition of these in connection with money-lending. *Procedure*.—The money-lender should have the right to sue only in the County Court of the district in which the borrower resides. *Bankruptcy*.—Provisions of section 23 of "The Bankruptcy Act, 1890," being frequently evaded by the reason of the Official Receiver or Trustee not having power to review the whole transaction with the money-lender, and borrowers being generally forced to obtain renewal after renewal at increasingly extortionate rates, the result is that the amount of principal claimed under the last contract prior to bankruptcy is out of all proportion to the sum actually advanced. Several cases showed that the claims of other creditors are often swamped by those of the money-lender. The Committee, therefore, recommended an addition to section 23, providing for the deduction from the amount of the proof of all amounts in excess of the principal and interest at the rate of 5 per cent. per annum thereon, "without prejudice to the right of such creditor to prove for the remainder of his debt or so much thereof as the Court shall allow after all the debts proved on the estate shall be paid in full." Also providing that the creditor may be required to furnish a statement of account, "certified by affidavit, showing the whole of such transactions from the date of the first advance and distinguishing the amounts of any repayment, whether of principal, interest, commission, bonus, or other charges, and the amount of any interest, commission, bonus, or other charges, included in the account."