

Q. The total loans you made in 1936.

Mr. FINLAYSON: Six and a quarter million.

The WITNESS: About six and a quarter million dollars.

*By Mr. Tucker:*

Q. I want the exact amount.—A. \$6,269,586.

Q. What is that again?—A. \$6,269,586.

*By Mr. Lawson:*

Q. What is the number of your loans, while you are at it?—A. 37,071, an average of \$169.

*By Mr. Tucker:*

Q. The amount which you charged in respect of fees was \$227,695.42, was it not?—A. Yes.

Q. You have a right, as I understand, Mr. Reid, in your Act of Incorporation, to make charges under three different heads—first of all, 7 per cent interest?—A. Yes.

Q. Then you have a right under your Act of Incorporation to “charge in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the company in making a loan authorized by the next preceding sub-paragraph: Including all expenses for inquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, 2 per cent upon the principal sum loaned.” The item of \$125,263.79 would have reference to what I have just read.—A. Yes, approximately 2 per cent on six million odd. Two per cent on six million is, roughly, \$125,000.

Q. Then you have the right in addition, “notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii), the companies shall, when a loan authorized by the said sub-paragraph (1) has been made on the security of a chattel mortgage, or of subrogation of taxes, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the company in connection with such loan but not exceeding the sum of ten dollars.”

The CHAIRMAN: What are you reading from?

Mr. TUCKER: I am reading from the decision in the Kellie case.

The WITNESS: That is the Industrial Loan that you are dealing with there.

Mr. TUCKER: I will read from the act, then, if you want me to, Mr. Chairman.

Notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii) the companies shall, when a loan authorized by the said sub-paragraph (1) has been made on the security of a chattel mortgage, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the company in connection with such loan but not exceeding the sum of ten dollars.

*By Mr. Tucker:*

Q. Your charge of \$227,695.42 is under that power, I take it?—A. Yes, that is right.

Q. And you claim that you have equal legal and other actual expenses disbursed by the company? You claim you have disbursed that sum of money in legal and other expenses in connection with these loans?—A. In connection with loans?

Q. The \$6,269,586?—A. In connection with loans; not in connection with chattel mortgages. That is quite a different thing.

[Mr. Arthur P. Reid.]