

Q. Let us forget him?—A. Who, the lender?

Q. It is the borrower we are concerned with?—A. The important point about it is that if the borrower business is not attractive enough he won't get his money; that is the thing. Take from \$181.20 to \$500 and you will find that that decreases from a rate of $2\frac{1}{2}$ per cent to a point where it gets here to I believe it is 1.84.

Q. That is, under the company's practice?—A. Yes. Now, in the bill that they brought in here to-day they will increase the rate so far as the borrower from \$350 to \$500 is concerned; it will be increased, which will make that business more attractive.

Q. Just follow that up for a moment. I am not interested in the company's practice, I am interested in what the law allows them to do?—A. I was not allowed to say this morning what I thought was the law on that to-day.

Q. But in what the bill that is before this committee and what it will allow them to do?—A. I would like to answer that. I was not allowed to this morning.

Q. May I give you the opportunity? and I will be very brief: Is it not a fact that in the bill, in the private legislation now being sought by the Central Finance Corporation, whatever the basis of it may be, in association with the general law of Canada, the maximum they can charge is up to $2\frac{1}{2}$ per cent in respect of any loan in any amount?—A. I do not think they can under the law of Canada as it stands to-day.

Mr. VIEN: Excuse me, I believe they have a limit of \$500.

The CHAIRMAN: Order, please.

Hon. Mr. LAWSON: Excuse me, up to an amount of \$500.

The WITNESS: No, I do not think they can.

Mr. JACOBS: That agrees with the Kellie case.

The WITNESS: I contend that under the charter of the Central Finance Company as it stands to-day on a loan for one year they can discount at a rate of 7 per cent per annum, which gives them 7 per cent—

Mr. JACOBS: Plus 2 per cent.

The WITNESS: Plus 2 per cent, which gives them 4 per cent, which is 11 per cent.

Mr. JACOBS: Yes.

The WITNESS: I contend that is on principal; and they are entitled to charge all proper costs under their present charter.

By Hon. Mr. Lawson:

Q. Let us disregard for the moment the element of whether or not they can charge on disbursements and the interpretations as to what disbursements means, we know there is a wide divergence of legal opinion on that?—A. All right.

Q. May I put it this way: We want to see if we can get an agreement on something; assuming that the correct interpretation of the present private act of the Central Finance Company is that they are entitled to charge on disbursements, whether the disbursements are made in the form of salaries or otherwise to their own company employees; then they have the right now under the law to charge a maximum of $2\frac{1}{2}$ per cent?—A. I do not think they will do so.

Q. All right then; in any event I will take it then up to the \$181 and some odd, class?—A. Yes.

Q. If the bill now before the committee is passed then they will only be able to charge up to a maximum of 2 per cent up to \$181 and some odd?—A. That is correct.

Q. Am I right in that?—A. I think that is right. What I say about that is that you look at the other end of the picture and you get a bracket from \$350 to \$500 on which end they charge less; they can't charge up to 2 per cent, don't