

vance." But the Interest Act, sec. 6, does not say that interest shall not be payable except yearly or half-yearly, but merely that it shall contain a statement shewing "the rate of interest, calculated yearly, or half-yearly, not in advance." It is submitted as beyond the possibility of successful dispute that interest calculated yearly or half-yearly may nevertheless be made payable in equal monthly instalments.

In the *Canadian Northern Investment Co. v. Cameron*, 32 D.L.R. 54, the mortgage stated that the principal was \$1,400 and the interest thereon at the rate of 10 per cent. per annum, the blended amounts being made payable in ten half-yearly instalments of \$179.90 each. The action was tried by Harvey, C.J. (Alta.), and in the judgment he said: "There is no statement conveying the information the statute demands. Only by a somewhat involved calculation can the rate of interest be determined. The instalments are payable half-yearly, but it by no means follows that the amount is ascertained by calculating it half-yearly. It may, perhaps, be said that the statement does not require to shew that it is calculated not in advance, because the statute prohibits it being calculated in any other way, but inasmuch as interest may be calculated either yearly or half-yearly (that is, the statute permits it), it is necessary for the mortgagor to know which it is. The mortgage fails to comply, both in form and substance, with the conditions of the statute."

The *Canadian Mortgage Investment Co. v. Baird*, 30 D.L.R. 275, was tried before Beck, J. (Alta.), and his judgment was given less than one month after the one last mentioned. The mortgage in question contained a clause to the effect that the parties agreed that the principal sum was \$1,300, and the rate of interest 10 per cent. per annum. The Judge said: "I think this a sufficient compliance with the Act." He held that no statement in figures indicating the method of calculation was necessary. "Statement," in his opinion, meant no more in the Interest Act than "Statement of claim" meant in the Judicature Act. The words "not in advance" were, he said, merely a prohibition. The purpose of the Act was, he thought, to enable the mortgagor to make his own calculations.

In *Stubbs v. Standard Reliance Mortgage Co. (Man.) supra*, the mortgage contained precisely the same information as in the action last mentioned, but the Court of Appeal preferred the opinions given by the Alberta Court of Appeal and by Harvey, C.J., both above stated, to that of Beck, J. In delivering the judgment of the Court, Richards, J.A., said: "I think that the intention of the Act is, that there shall be stated plainly, on the face of the mortgage, not only the rate of interest, but how the same is computed, so that the mortgagor shall, when entering into the contract, be informed how the named interest had been calculated (whether yearly or half-yearly) and that he shall afterwards, if he be able, check over the amounts and see how he stands."

This last decision goes nearer than any other to expressing distinctly what seems to have been the feeling of all the Judges except Beck, J., as to the purpose of the Act. It seems to mean that in a mortgage providing for periodical payments of blended amounts, there shall be a calculation in figures shewing how each amount is constituted, by distinguishing principal and interest, and stating that the interest is calculated yearly or half-yearly, as