

The CHAIRMAN: Not at all. But we were not interested in some of the things you brought out. I may say we have given a good deal of latitude here, and I do not think we should change our procedure now.

*By Mr. Cleaver:*

Q. Mr. Forsyth, in your brief or memorandum, exhibit 1, you have stated the rates are much too high?—A. That is right.

Q. I am asking as to whether the rates charges by your company for this similar service are higher or lower than those charged by Central Finance, whose bill you are opposing?—A. I would say that the rates charged in the upper brackets by the Discount and Loan at the present time are lower than those which are sought to be obtained in these bills. The rates in the lower brackets are probably higher. I think they are higher. Mr. Finlayson will know, but I think they are higher than the rates sought by these bills. The point I make about that—

Q. In the aggregate?

Hon. Mr. STEVENS: Let him answer, Mr. Cleaver.

*By Mr. Cleaver:*

Q. In the aggregate, what do you say about the rates charged?

Hon. Mr. STEVENS: Why not let him answer?

Mr. CLEAVER: I just repeated the question.

The WITNESS: What I wanted to say—you break in with another question there. The point I wanted to make about it was this, that if you adopt the thesis that I have, that the reason for the existence of these companies is to enable the small borrower to get loan service, that if you make the lower bracket loans less attractive and the higher bracket ones more attractive, you are defeating the purpose of these bills. That is the point I wanted to make. On the question of the aggregate charges, there is a return filed with the Department of Insurance every year.

The CHAIRMAN: Will you raise your voice a little bit, Mr. Forsyth?

The WITNESS: There is a return filed every year. Perhaps if Mr. Cleaver stood back where he was, maybe it would be better.

The CHAIRMAN: Yes, maybe that would be better.

The WITNESS: You will find, Mr. Cleaver, if you examine the returns that are filed with the superintendent of insurance, it will bear any comparison with the rates that are there. I do not suggest for a moment that the Discount and Loan are more philanthropic in their attitude towards borrowers than the Central Finance or anybody else.

*By Mr. Cleaver:*

Q. I was just bringing that out to suggest that perhaps the general counsel for a company that is charging a little more to its borrowers than these other companies are is hardly in a fit position to criticize.—A. I do not know, if he is prepared to advise his company, as I have advised them, that the rates they are getting in these higher bracket loans are much too high. I have told them that. I think I am not stepping out of the picture if I say to other people what I have told them about it, providing I am consistent about it.

Q. Would you refer to the booklet I have given you, the 1935 report?—A. Yes.

Q. At page 36?—A. Yes.

Q. I take it that the interest rate of both of the companies will be alike, and the principal variance, if any, will be in service charges. You agree to that?—A. No, I would not agree with that.