

AFTERNOON SESSION

The Committee resumed at 4 p.m.

Mr. L. A. FORSYTH recalled.

The CHAIRMAN: Gentlemen, we heard from Mr. Cleaver this morning, and Mr. Tucker examined the witness at some length; I presume others may have questions they wish to ask the witness.

By Mr. Tucker:

Q. There was one further question I wanted to ask. In the bill as it went through the Senate there was a provision: "That the company shall not conduct the business of making loans under this act within any office, room or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the Superintendent of Insurance upon his finding that the character of such other business is such that the granting of such authority would not facilitate evasions of this act." Now, that provision is dropped from the proposed amendment. What would you say as to the desirability of having a provision like that in connection with an act like this?—A. I think it is a desirable provision. I am not sure—there might be a situation where it might be advisable to have some discretion in the Superintendent of Insurance. I cannot see how that could arise. I think that provision is a good provision—that the companies should not be allowed to conduct their business in conjunction with other matters. I agree with that.

By Mr. Deachman:

Q. Mr. Forsyth, there are one or two things on which I am not clear—rather I should say that there are a number of things—and I would like you to help in regard to this. I have a book here. I think this is yours?—A. Yes, that is exhibit 2.

Q. Now, I am not interested in what the particular rates were, but I am rather interested in this table which you have here at the last. I feel that the borrower should know what he is paying. You see my point?—A. I agree with you, yes.

Q. And in this case, in the table you have here—take that item of \$500 which is discounted to \$465 and then there is a stated payment of \$41.67 a month. Is that right?—A. \$500. Yes, I see what you mean.

Q. Then there is a payment, a monthly payment there of \$2.60 for a number of months?—A. Yes, it reduces finally to 75 cents.

Q. What is that payment for?—A. That payment is representing—what I had in mind when I prepared that table—you understand that was not a rate table; I prepared it to show how my thought of the rates would work out. I contended, and I still contend that you should have a difference between the hire of the money and the other expense, and that the expense of doing business—service, chattel mortgage fees, if you like—should be calculated in dollars.

Q. And stated to the borrower?—A. An stated to the borrower in dollars. But I also think the total should be stated to him in dollars because I feel—I have said it in that pamphlet and I do not want to leave it out—I feel that the way this thing should be done is that a man who is going out to buy the use of money should be told in arithmetic and not in algebra what he is doing.

Q. I am not sure that this does it, and I am not sure that the other plan does it?—A. When you are looking at these tables you must realize that these tables were prepared to show how my proposed rate scheme would work out as to what the monthly payments would be.

[Mr. Lionel A. Forsyth.]