

my office was that the construction of that statute was that a chattel mortgage fee was a disbursement made to somebody else—that was an argument which received some support from the Department of Justice, and I think that is the advice we gave them.

Q. And the reason that you would go to the trouble of incorporating a special company with a special service would be to retain the profits in the same group of individuals?—A. I suppose it reduced expense.

Q. It is rather an obvious inference, is it not?—A. I think it is a fair inference on the statement you made.

Q. Yes, a fair inference. Let us get on from there—

Mr. JACOBS: I scarcely see the relevancy of discussing the affairs of this Discount & Loan company when it is not before us. At the moment we are dealing with the application of the Household Finance Company.

Mr. CLEAVER: I have been trying to trace the development of this company. I think you will see the relevancy of it in a moment or two.

Mr. JACOBS: It may reach me then.

The CHAIRMAN: Mr. Cleaver, I suggest that you take five minutes or so in which to show the relevancy of this material.

Mr. CLEAVER: Yes, thank you.

The WITNESS: Might I interrupt you, Mr. Cleaver; what you want to know is who owns the shares of Consolidated Credit Service?

Mr. CLEAVER: Yes, who owns the controlling interest?

*By Mr. Cleaver:*

Q. Where does Consolidated Credit carry on its business?—A. I think if I am not mistaken—Mr. Finlayson probably knows more about that than I do—but I think Consolidated Credit Service is administered directly or operated by a company known as Canadian Corporation which has its head office in the Royal Bank Building in Montreal, and I think Mr. Lang is the secretary of Consolidated Credit Service.

Q. Where is the head office of the Discount & Loan?—A. I really can't tell you.

Q. Also in the Royal Bank Building?—A. I think it is, maybe.

Q. Also in the same building?—A. I think so.

Q. And their offices are adjoining?—A. I tell you what I think you will find and it is this, that the head office of the Discount & Loan Company of Canada in Montreal is an office of domicile only. They do not carry on any operations in Quebec that I know of. I do not think they carry on any loan operations.

Q. Do I understand it correctly then that the bulk of the work of Discount & Loan is carried on by Consolidated Credit Service, and that Discount & Loan is what might be termed a branch office?—A. I do not think that is so. Both of these companies, the Discount and Loan and the Consolidated Credit Service have head offices, offices of domicile, in Montreal. That is a place where papers can be served on them.

The CHAIRMAN: Might I suggest that you do not go further than to establish the standing of Mr. Forsyth who appears before us as an expert on this matter, and as to his motive in circulating the literature that was put on the record the other day.

Mr. CLEAVER: Thank you, Mr. Chairman; I will pursue that point no further.

*By Mr. Cleaver:*

Q. Well then, coming to exhibit 1 which you have already identified, I read from page 4 of that exhibit, the second paragraph on page 4?—A. Yes.