

By Hon. Mr. Stevens:

Q. The point I am coming back to is this: You do insist upon the borrower taking it for a year?—A. We insist on nothing. We do not insist on him taking the loan at all.

Q. No, but you will not loan him for less than twelve months?—A. The contracts are drawn for twelve months. If we took them for less than that, we would be accused of taking them for a shorter period to get bigger service charges. We are entitled to a chattel mortgage fee, and it would increase that chattel mortgage fee, and that would increase the rate materially if we took them for six months.

Q. You get a pretty good rate at that?—A. Yes.

Q. A pretty good rate at that.—A. Whereof $2\frac{1}{2}$ per cent I explained yesterday—

Q. Why should you not loan a person who wants to borrow for three months? Why should you not loan to him?—A. Mr. Stevens, to do that—we are obliged to collect our revenue by way of interest, to get in advance discount of service charges and fees. If we made a loan for three months, the dice would be stacked against the borrower. That chattel mortgage fee, for instance, of \$7—we are permitted to charge \$10. We have reduced it to \$7. Suppose we charged that \$10 for three months on a \$300 loan. That is like a discount of 3.33 per cent for twelve months; but applying that to three months, you have got a discount of 13 per cent. You see what I mean?

Q. Yes. Are you obliged to charge as high for a shorter term?—A. No. But that is the only way you can express it. And, after all, I think you will agree that it costs us as much to make a valuation of chattels if you are making a three months' loan as if you are making a twelve months' loan. It costs just as much to prepare your mortgage. It costs just as much to enquire into the circumstances of the borrower. Your expense is just the same whether you take a loan for three months or twelve months.

Q. You mentioned your cost of preparing the mortgage. Have you got the forms of these mortgages which you can file with the committee, and the forms of the notes you asked for?—A. I do not know if I have one in my bag or not, but I can supply them.

Q. These mortgage forms that you have are forms that are printed, I suppose, by the tens of thousands?—A. Oh, yes, these forms are printed forms. I have never suggested that there is a whole lot of expense in just drawing a chattel mortgage form.

Q. They are drawn up by a stenographer in the office?—A. The actual typing is done by a stenographer, yes, just the same as it would be done in a lawyer's office.

Q. But you can give the stenographer the figures, and that is done. There is no legal work about that, as far as the form is concerned?—A. It is the same work that a lawyer would perform in drawing a chattel mortgage.

Q. No.—A. Why not?

Q. Because it is an individual action by the lawyer and yours is routine. That is the difference, and a vast difference.—A. No, it takes time.

Mr. MARTIN: It is routine with lawyers, too.

Hon. Mr. STEVENS: That is where the lawyers get the fees, but never mind that.

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Q. If a lawyer draws one instrument, there is his time and his office staff is taken up with that. Of course, they are incidental charges.—A. Mr. Stevens, we could not have this work done outside of our office by lawyers and evaluators.

Q. Certainly not.—A. Unless we had to pay them something around \$12 or \$15 per transaction.