

Q. They want to square up with this doctor?—A. Yes. They want to go along the street with their heads up so that in bad times they can lean on him again; but when they can pay they want to pay. Those are the citizens who have kept off relief for the most part and are sufficiently proud and honest that they want to stand on their own feet.

Q. Are some of these people coming to you because the doctor is chasing them so hard that they would rather square up than go the other way?—A. That happens too. A doctor, after all, is not a Christmas tree. He is entitled to pay.

Q. And he is generally left to the last?—A. Yes, he is generally left to the last. In a hospital you have to pay before they take you in.

By Mr. Martin:

Q. Mr. Reid, I had a case brought to my attention recently along this line in regard to your company where a man owed, let us say, \$500, and he was being harassed. He went to you people, and you were able actually to effect a considerable reduction in the amount of the loan. In other words, you were able to say, "for cash we will give you so much."—A. That frequently happens, where we work out a budget for these people where accounts have been outstanding for a long time. We can frequently go to these creditors and say, "here, Brown is borrowing this money and pledging his furniture, and he is genuinely interested in getting out of debt and wants to pay you, but he cannot borrow enough money to pay all these bills. Let me give him some, and will you make a discount if he pays you cash?" Frequently creditors do that. They are mighty glad to get 60 cents or 90 cents on the dollar on an account that has been standing for a few years. However, if he did not borrow the money they would not get paid at all or would have to take 50 cents this week and a dollar next week and so on.

By Mr. Deachman:

Q. One more question. Do you know the American rates with regard to companies similar to yours?—A. Yes. I can give you them generally or specifically. They run from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent per month.

Q. Take a state that compares with Canada—New York state or the New England states?—A. I do not think any of those states are comparable to the situation here, because they are highly industrialized states with large cities in them. In Canada we have only a few cities of any size, and they are scattered. I do not mind telling you that the only reason we have never opened offices in Winnipeg and Vancouver is because they are too remote from Toronto and the cost of supervising would be excessive.

Q. In operating in a city like New York would the cost of making loans be lower or higher?—A. They are lower in some respects and higher in others. Rents, perhaps, would be higher.

Q. Would the total operating cost be higher in New York?—A. Yes. I would say slightly higher.

Q. What are loan company rates in New York state?—A. $3\frac{1}{2}$ per cent. The rate was reduced to $2\frac{1}{4}$ per cent a few years ago. I think it was 1933.

Q. When was their law passed?—A. The first law was passed, I think, in 1928.

Q. That would be in the days of Roosevelt?—A. Roosevelt did sign a new law increasing the rate.

Q. To what?—A. 3 and $3\frac{1}{2}$ per cent per month.

Q. I call that to Mr. Tucker's attention.

Mr. TUCKER: I am sorry you destroyed my confidence in Mr. Roosevelt.

The WITNESS: These figures are correct. "In the United States this business has been going on for about sixty years...."