

Mr. MACMULLIN: This is a technical one. In the credit unions the big source of our funds is what we refer to as share capital. A dividend is paid at the end of the year and it varies from credit union to credit union from 2 to 3 per cent. On deposit money that is deposited with the intention the member withdrawing it next week or next month the interest rate probably varies from $1\frac{1}{2}$ to 2 per cent.

Mr. FRASER (*Peterborough*): Then you also have shares?

Mr. MACMULLIN: Yes.

Mr. FRASER (*Peterborough*): What do they pay?

Mr. MACMULLIN: Probably from 2 to 3 per cent.

Mr. FRASER (*Peterborough*): On the shares?

Mr. MACMULLIN: Yes.

Mr. FRASER (*Peterborough*): What is the capital of these unions?

Mr. MACMULLIN: The capital is unlimited as far as law is concerned. It varies with the size of the credit union.

Mr. FRASER (*Peterborough*): What would be the average?

Mr. MACMULLIN: We have approximately \$8 million in the total assets in the province and about 200 credit unions. Let us say, \$40,000.

Mr. FRASER (*Peterborough*): Do all the small credit unions pay into the central association?

Mr. MACMULLIN: They invest in the central only those funds which they do not have a ready demand for by way of loans. If they have surplus funds which they are not using today for their own members, and which they feel they will not use for the next month or so, they will invest those funds in the league which will in turn invest the funds in some other credit union so that credit union will have the benefit of earning on what would otherwise be idle money.

Mr. HENDERSON: You say that your rate of interest averages 6 per cent. How high does it go?

Mr. MACMULLIN: In our urban credit unions where the repayment plan is usually different, our credit unions will probably charge three quarters of one per cent per month, or a maximum of one per cent.

Mr. HENDERSON: Under this bill I notice that the rate of interest will be five per cent. How are you going to choose the ones who will get the five per cent and the ones who will pay the twelve per cent?

Mr. MACMULLIN: We will have to make the distinction on the basis of the security, giving the preferential rate to those who qualify as coming under this piece of legislation.

Mr. HENDERSON: In that event only those with good security would be able to take advantage of this bill?

Mr. MACMULLIN: That is right.

Mr. HENDERSON: And that fits in with your program for helping to provide better equipment for fishermen?

Mr. RICHARDSON: I would like to follow up the question asked by Mr. Fraser. Mr. MacMullin, you spoke about the average rate of interest being six per cent. Is that the simple rate of interest or is it a discount rate?

Mr. MACMULLIN: It is a simple rate of interest. Not discounted.

Mr. BALCOM: The Nova Scotia government has lent about \$2 million to fishermen. I suppose that would be for the larger boats and engines. I take it most of your loans would be to the smaller fishermen—the inshore fishermen.