

Q. No?—A. I would not agree to that, because there should not be any variance in service charges in loans over the same period.

Q. What form of comparison would you suggest would be fairer? Would you suggest a percentage form to the total income?—A. I doubt very much if you can get a satisfactory form of comparison unless you know the terms of the loan. If you take a loan of \$200, and if you assume—we will leave the chattel mortgage fee out of it for the moment—that the Central Finance has the right to deduct—and the loan is made for a year, you see—if they had a rate of discount of 7 per cent from the principal of that, that is \$14, and a discount of 7 per cent for service charges, that is \$4; that is \$11 on a loan of \$200 for a year.

By Hon. Mr. Stevens:

Q. You said \$14 and \$4.—A. \$14 and \$4, that is \$18, on \$200 for a year. If they make a loan of \$200 for six months, then discounting at the same rate, you have \$3.50; you have \$7 for interest and you have got \$4 for the service charges which is \$11, so that for two loans of \$200 for six months each, you get \$22 against \$18. So that the term of the loan is an important thing.

By Mr. Cleaver:

Q. I quite agree with that.—A. That is why it is difficult to make a real comparison.

Q. Do you suggest that the company for whom you act does a different type of business than the business done by Central Finance?—A. Well, a different type—I imagine they are in the same sort of business; I know Central Finance does a very much larger business.

Q. Do you suggest there would be any marked difference in the length of the loans or size of the loans that Central Finance give?—A. That is a matter really, Mr. Cleaver, about which I have got very little information. It is information I can get, if you would like me to get it.

Q. It might perhaps be of interest. Following through this item, and you can tell me if you think the comparison is unfair, on page 36 of the Central Finance report—A. Would you excuse me one moment while I make a note?

Q. What we would like in that regard would be the percentage, of the loans or the number of loans in 1936 made by your company below \$100, from \$100 to \$200, from \$200 to \$300 and from \$400 to \$500.—A. Well, Mr. Finlayson had before the Senate committee a statement for 1935. He had one with all the companies on it. Perhaps if I would show you that—

Q. I think that would show great similarity in the type of business.—A. If you take a look at it, you can see whether that is the thing you want. He had all the companies together. Here is number 1, number 2 and number 3. I take it that that is Central, that is Discount and Loan and that is Industrial. I think that is it. You will have to ask Mr. Finlayson. Then he has an analysis for 1935.

Q. That is fine.—A. That is 1935. I think we can probably dig up the same thing for 1936.

MR. FINLAYSON: Yes, that is right here.

The WITNESS: If that form is satisfactory, I can give that to you; and Mr. Finlayson will get those figures for you later.

MR. CLEAVER: I would like to file this as Exhibit 3. It is a statement showing the number of loans of the Central Finance, Discount and Loan and Industrial, and the amounts of each, classified under the different headings, \$1 to \$50, \$50 to \$100 and so on.

Exhibit 3: Statement re loans.

The WITNESS: Would you see to getting that copied, please? I would like to have that back.

MR. CLEAVER: I will be glad to do that.

[Mr. Lionel A. Forsyth.]