

Q. On this charge here of \$2.60 a month, that is a charge which would vary from time to time?—A. Well, it would unless it were fixed.

Q. You could not very well fix the costs because the costs will vary with the volume of business done.—A. Well, you can fix this. It has been found, I think, that in the United States where they state these rates under the Uniform Small Loan Law in terms of percentage, they fix the maximum of an all-inclusive per month charge, and then it is found that those maximums are not always charged, that competition in certain brackets puts the rates down and the volume of business enables the companies to do business at lesser expense.

Q. I am simply searching for some way which will make clear to the borrower what he is paying. Now, you have the 2 per cent a month charge. That satisfies me in regard to one thing; but I really wish there was some means of arriving at it so that the borrower would know what the cost ratio is and what he is paying for the money?—A. Yes. That is desirable. It is not an easy thing to do, and I do not think you can do it by making a percentage per month statement. My contention was that what should be done was that we should fix—take on that \$500 item you have there as an illustration, you could show the borrower that what he was paying for the use of that money over a period of time would be \$62.95. Now, my idea was that possibly the best way to restate his rate is to get the loans in various brackets and say that the over-all charge for the year will be so many dollars. Then if it is considered desirable to equate that in terms of percentages—if there is any value in that—it can be done.

Q. I think there is a decided advantage in that. I venture to make this suggestion, and I make it to the committee as well as yourself, that when a thing is stated in terms of per cent to a great many of the borrowers—unless they happen to be members of parliament, and sometimes then—they will not know what that means?—A. I always contend that, and I think I am right.

Q. I do not see what advantage there would be, and I am asking you on that basis?—A. May I interject something here? When Mr. Cleaver was examining me this morning, he made a statement about this pamphlet and made some suggestions to the effect that I was pretty well committed as to what I thought about rates in that pamphlet.

Q. I am not interested in that.—A. But I am interested in it, and if the chairman does not object I would like to make this explanation now, if I did not make it then: what I wanted to say about that was that when I prepared that pamphlet I had not had the opportunity of looking into this thing which I later had.

Mr. JACOBS: Your hindsight was better than your foresight.

Hon. Mr. DUNNING: Aren't you ashamed to admit a thing like that in public?

The WITNESS: I suppose I have a right to change my mind.

By Mr. Vien:

Q. Your opinion about it might change later?—A. Yes, that is possible. What I wanted to say in answer to Mr. Cleaver was this: in the first place, I am satisfied that I was, in relation to the information that I now have—I am satisfied that I was too high on the lower bracket in my statement there; and, in the second place, I am satisfied that I was satisfied before the Senate committee was through that these brackets from \$300 to \$500 should not be in these figures at all.

By Mr. Deachman:

Q. I am coming to that question, and that is what I want information on. Your suggestion is that the rates are too high?—A. Yes, in the higher brackets.