

By Hon. Mr. Stevens:

Q. Will you tell us what is the "other"? I do not want you later on to remind me that the "other" includes some large item, because I am taking the document as I read it. Will you please tell me what "other" means?—A. I think Mr. Finlayson can explain that better than I can.

Mr. FINLAYSON: This is not Mr. Reid's form, this is a form prescribed by the department. We drew it up two or three years ago for the sake of getting this break-down of the various items. Some of the companies—I do not know whether this company was one or not—suggested that it was very difficult for them to make that separation, and we agreed with all the companies that these two items might be combined.

Hon. Mr. STEVENS: What does it contain?

Mr. FINLAYSON: The original intention of this was to show what amount of principal was collected during the year—

Hon. Mr. STEVENS: Yes. That is what I want.

Mr. FINLAYSON: —as payment on account, leaving still a balance unpaid. The first would be extinguishing the loan; where the payment collected during the year completely repaid the loan; then "other" would be the payment received on loans which were not extinguished within the year. I do not see very much point in insisting on the distinction; it has never been raised.

By Hon. Mr. Stevens:

Q. I am going to ask Mr. Reid to accept my question based on the total figure \$6,269,586 as repaying the loans made during the year?—A. Yes.

Q. Now, at the end of the year you had outstanding \$3,115,033.38. That is correct, is it not?—A. Yes.

Q. Now the comparison of these two figures, Mr. Reid, would indicate that the average term of your loans is about six months—a little less than six months. Do you agree with that?—A. Yes, I agree there has been a turnover twice during the year. Capital has been turned over twice. That was borne out by the statement I made yesterday. 7 per cent discount becomes 14 per cent.

Q. No. I do not want to be involved in that. I am asking you to agree to this, that these figures indicate that the average term of the loans made was really six months?—A. The average term of the loans made?

Q. No. The average period of time that the loan was outstanding was six months?—A. No. The borrower had the use—that is hardly relevant.

Q. It is relevant to me.—A. I used the wrong word, I am sorry. It simply means this, that when a man borrows \$100 he has the use on an average of \$50 over the year.

Q. That is not the point applying here at all. Let me put the question to you again. You had a turnover in the year of over \$6,000,000. That is clear, is it not, and admitted?—A. Yes. That is the volume of business done in the year.

Q. All right. Then you have loans outstanding at the end of the year of \$3,000,000 odd. That is admitted too, is it not?—A. Yes.

Q. My submission to you is this, that of your borrowers many of them paid their loans off in advance, and by that and other methods—I do not know what—the average length of time that loans were actually outstanding was really about six months?—A. I could only guess at that, Mr. Stevens. It is hypothetical absolutely. I think Mr. Finlayson's statement gives a very accurate statement of that. It shows the loans at the beginning of the year—the amount at the beginning of the year.

[Mr. Arthur P. Reid.]