

Q. Yes. We are talking in maximum rates all the time?—A. What I say, Mr. Vien, is this; it is entirely in this field of operation—talk about rates on loans at \$100; if the loans are not made, and I say they won't be made at 2 per cent, and the best proof of that is you take any one of the three companies operating in Canada today and you will find that they have a great deal of money out in the higher brackets above \$300.

The CHAIRMAN: Suppose we allow Mr. Deachman to conclude.

Mr. VIEN: To keep the record correct, Mr. Chairman, I would like to point out that Mr. Reid has given evidence here to show what the experience of his own company has been.

The WITNESS: I have Mr. Reid's figures here.

The CHAIRMAN: Order, please.

Mr. DEACHMAN: I gather from the figures in this statement that 14 per cent of the loans made by companies of this type are over \$300; is that right?

Mr. REID: They amount to 14·36 per cent by number.

The WITNESS: And what by amount?

Mr. REID: 32·57 per cent, naturally the percentage by amount would be larger.

The WITNESS: How much would it be in dollars, Mr. Reid?

The CHAIRMAN: Order, please.

Mr. REID: A large portion of our business is under \$300.

The WITNESS: In 1935 the Central Finance Company out of a total of \$4,227,000 loaned, loaned \$1,470,000 in the brackets above \$300.

Mr. DEACHMAN: But the total number of loans—

The WITNESS: It is not the number of loans, it is the dollars which earn the interest.

Mr. REID: I think the important thing is the number of people served.

Mr. DEACHMAN: Let us have the total number of loans.

The CHAIRMAN: They are both important.

Mr. DEACHMAN: They both have their value.

The WITNESS: It is the interest earned on the dollars.

The CHAIRMAN: Mr. Deachman is asking Mr. Reid a question.

Mr. REID: My approach to this thing is from the standpoint of the customer. My opinion is that the important thing is the number of people we serve and it is for that reason that I consider the percentage by number to be of paramount importance. I think it necessarily follows that the more people we serve the larger the percentage of dollar value is going to increase.

The WITNESS: There is no argument about that.

Mr. DEACHMAN: Certainly not.

*By Mr. Deachman:*

Q. Well then, Mr. Forsyth, I have just one question more: the proposal has been made to the committee that these loans, the small loans, should be made at 2 per cent—I want to get your point of view, this is not antagonistic, we are trying to bring out the facts?—A. Certainly.

Q. We have a proposal for a corporation that is going to loan money at 2 per cent; your suggestion is that to make this business a success in the small brackets that rate should be increased by 50 per cent, that is the rate you have given us here; is that correct?—A. What do you mean by making a success, do you mean making a success of the business financially?

Q. I mean, you are claiming that this should be very efficient, as I understand it, in serving the real need of the people?—A. Yes.