

still exist in the market at the present time or would you say that money is freer and that you don't have the same problem?

Mr. WOOD: You are talking about the problems of obtaining funds. To my knowledge most businesses are able to obtain them at a price; I know of no company having real difficulty in getting them, but I am sure that some are having to pay a considerably higher price than others.

Mr. MANDZIUK: May I make a suggestion, Mr. Chairman? This is a large field, and I have other questions. Could we adjourn and meet again in the afternoon?

Co-Chairman Senator CROLL: That is agreeable to me.

A MEMBER: No.

Co-Chairman Senator CROLL: Let us go on as far as we can.

Mr. MACDONALD: May I ask a question supplementary to that answer? What rate are you now paying on 90-day notes?

Mr. WOOD: We do not borrow on 90-day notes. We are prohibited.

Mr. HENDRIE: We borrow on the street, and we pay about $3\frac{3}{4}$ to $4\frac{1}{4}$ per cent; that is on 30- to 60-day notes.

Mr. OTTO: Mr. Chairman, I shall be very brief. When I say that it usually means I am going to be quite lengthy, but on this occasion I am not. As you recall, the last delegation we heard was from the sales finance companies who purported to be a unique industry. From your brief and the answers given here the context seems to be that you are one giant social welfare agency. Nobody has really suggested that you are interested in making money. Is that correct?

Mr. WOOD: Let me categorically state right now that we are.

Mr. OTTO: On page 10 of your brief you state under the heading of "Reason for Borrowing" that consolidation of debts accounts for 37.16 per cent of the money that you lend. Then, on page 9 in the second to last paragraph, you say:

In this circumstance a carefully planned consolidation program enables the family to work its way out of debt at a pace suited to its income.

Do I gather correctly that what you are really saying is that you are inducing people to borrow money to pay off the butcher, the baker and the doctor, and so on—and the lawyer—who charge them no interest—and even on a judgment only 6 per cent interest is charged—and to pay you 18 to 24 per cent interest? You do promote this type of lending more than anything else in your advertising campaigns, do you not? Do you really feel that this is a service?

Mr. WOOD: I very definitely feel that the consolidation of debt is one of the most important services that we perform. It may very well be that there is no interest on the amount outstanding with the butcher or the grocer, and that arrear of rent do not carry a rate of interest, but if the customer is to be evicted from his home for failure to pay his rent then I do not think it is a matter of concern to him whether he will have to pay a little more in order to remain in his home. I do not think that that is of deep concern to him.

I might say in answer to the first part of your question that we do not induce these people—perhaps I put a different connotation on the word "induce". We advertise a service. We do not create the need. The need is there due to debts. This is for the purpose of consolidation. The debts are there, and we do not create the debts. We merely advise the customer of agencies where he may obtain a loan to consolidate his debts under one roof, and pay them off in an orderly fashion out of income.

Mr. OTTO: Would you tell me what percentage of your sales you spend in advertising?