

last \$25 at the end of twelve months, he does not get any refund from you of interest or anything like that?—A. No.

Q. So that in effect he has paid under heading one of interest an effective rate of 14 per cent. He has paid in all cases two per cent under heading two and he has paid—A. Just a minute; not 2 per cent per annum.

Q. No, that amounts to more than 2 per cent. That amounts to about 4 per cent.—A. No.

Q. It is deducted in advance, of course.—A. Oh, yes. I see what you mean, figuring that way.

Q. So the effective rate he has paid there is more than two per cent; it is about 4 per cent?—A. Yes.

Q. And then in addition to that, under the charge of cost to the borrower and that sort of thing, under the third heading, you charged him \$7, and he gets none of that back?—A. I have just explained to Mr. Stevens that he does under our plan. Yes, he does get it back.

Q. Well, at the end?—A. Not at the end of the contract, I am sorry.

Q. That is what I am dealing with.—A. Quite right.

Q. At the end of the contract he does not. That is all we are dealing with. And most people do not pay ahead of time?—A. Oh, some people meet new emergencies and come in and perhaps pay us off ahead of time and take advantage of one of these credit union schemes of cheap money or they may go to the bank of Commerce and borrow at from 12 to 14 per cent. They have the privilege of paying off ahead of time if they can save themselves money by going elsewhere.

Q. What is the average length of your loans?

Mr. WALKER: This is neither cross-examination nor—

The CHAIRMAN: Is that within clause 1 or section 1?

Mr. TUCKER: It has this to do with it! They were limited to loans for eighteen months, and they have renewed them right along. The idea of parliament, I think, was to limit them, so if under the heading of renewing them they have been going against the spirit of the act, I think we should know.

The WITNESS: Mr. Tucker, how can you curtail the life of a loan? If a borrower cannot pay, what are you going to do? Are you going to charge it off because he is bad pay to-day, or can you say to him, "I will let you pay next month or the next month."

By Mr. Tucker:

Q. I am asking what your experience has been in regard to the loans you have made; how long has the average loan been?—A. I could not tell you. It is an operating statistic that does not concern us. We deal with each account on its merits, as to whether or not it will stay on our books or whether it will be liquidated. It is like the other question you asked. It is something that really does not affect me from an operating standpoint and I naturally do not—I could not conceive what was in your mind and what questions you were going to ask. I am sorry I cannot answer it.

Q. You did not know you were going to meet me?

Mr. LAWSON: That was a pleasure he had not anticipated.

By Mr. Tucker:

Q. What is the least length of time you make a loan for?—A. Twelve months.

Q. That is the least length of time?—A. Yes.

Q. And the longest time?—A. Twelve months.

Q. All your loans are made for twelve months?—A. Yes. If we made our loans for a shorter period than twelve months we would run up the cost

[Mr. Arthur P. Reid.]