Q. I mean under that heading, what rate of interest are you collecting from these people you have got money loaned to? That is what I am asking you. What rate of interest are you collecting on the money you have got loaned out under that very heading?

The CHAIRMAN: Mr. Walker, do you wish to answer that?

Mr. WALKER: I only want to say this, " let this witness go on giving facts as long as he likes, but leave the legal argument to my friend and me. I am counsel for this company, not this witness."

Hon. Mr. STEVENS: This is not legal argument.

Mr. WALKER: As long as he sticks to facts, that is all right. But we are getting now into an argument as to what is interest and what is the interpretation of this section. Go on asking him facts, but let us stick to facts.

Mr. TUCKER: It is simply the rate of interest—what is the rate of interest that is charged?

Hon. Mr. STEVENS: Would Mr. Tucker permit me to interject. I think some members of the committee are probably labouring under a mistaken idea as to what Mr. Tucker is arguing. Let us put it this way. I am not saying that I can do it better than Mr. Tucker, but there is a little confusion.

The CHAIRMAN: Yes, there is.

Hon. Mr. STEVENS: Leave all charges out of the question altogether. Here is a loan of $300 and it is repayable by $25 a month in twelve payments. Obviously in the last six months, three months, one month, there is not much of the principal left, but the interest has been deducted in advance. The $21 has been paid. The full amount of $300 is not outstanding only for approximately—I have not figured it exactly—half the year. Therefore, Mr. Reid is perfectly right in saying that the effective rate of interest on the money retained in the possession of the borrower, taking it through the whole year, is 14 per cent.

By Mr. Tucker:

Q. Is that correct?—A. Yes.

Q. The effective rate of interest on the money in the hands of the borrower. —A. That is about as accurate as you can get it.

Q. —is about 14 per cent.—A. There are many mathematical formulae. I can show you books on this business that will establish that some of the best actuaries will arrive at a different rate. It is approximately that. There are various ways of figuring it. Some will figure more and some will figure less. That is why we want to get this down to a flat expression of per month interest.

Q. You want to charge two per cent a month now?—A. Including all these other charges.

Q. And you want to charge that by way of interest and everything else? —A. No.

Q. Interest and everything else?—A. We are charging 2 per cent.

Mr. LAWSON: He wants to charge that by way of interest, to include everything.

Mr. TUCKER: All right. If this man has borrowed $200—

Mr. LAWSON: I think loose language is responsible for a lot of our trouble.

Mr. TUCKER: Yes, I know I used loose language.

Mr. LAWSON: Excuse me, I am not making any reference to you. I am just talking generally.

Hon. Mr. STEVENS: He was just thinking out loud.

By Mr. Tucker:

Q. This man borrows $300, and has this deduction of $34 taken off. He repay $25 a month each month as he promises to do. When he has paid the