

procedure in charging that they do. The total amount we would have out in consumer finance credit in our entire group would be approximately a million dollars at the present time, and our total assets are about \$135 million.

Mr. STAFFORD: You still loan money out the same as other finance companies do on automobiles, furniture and so on?

Mr. STEVENS: I would prefer to say, because of our rate structure, the same as other banks in the sense that we charge the same rates that, say, the Bank of Nova Scotia charges, if you want a parallel.

Mr. STAFFORD: But not the ordinary bank interest. You mean an interest of about 12 per cent?

Mr. STEVENS: That is right; it works out to something over 11 per cent.

Mr. MACDONALD (*Rosedale*): Is Scarboro Finance registered under the Small Loans Act?

Mr. STEVENS: No.

Mr. STAFFORD: Would there not be a slight conflict of interest there, that is a finance company of that particular type having also an interest in a bank?

Mr. STEVENS: I would think that it is unlikely that there would be a direct conflict of interests.

Mr. STAFFORD: Do you not find that as you are dealing with an operation on such a large scale it is a disadvantage to commence in such a limited and regional way as you intend to do?

Mr. STEVENS: When we say regional I think the point should be made that in effect any bank is regional when it begins. We want our head office in Winnipeg, as has been stated. We feel that we can branch out throughout western Canada, but we are not saying that we would not, at some future date, have branches right across Canada. What we are saying is that you have to decide to start some place and that it would be inadvisable, in all likelihood, to propose to have branches from Halifax right through to Vancouver. From an administrative standpoint it would create problems which would be unnecessary.

Mr. STAFFORD: I have a couple of more questions, going back to the fact that you said that two per cent of the holders wanted to sell their certificates or turn them in. This morning you started off by saying they purchased them for \$14.50. If they can be sold on the open market for \$16.50 why would anyone want to turn them in for \$14.50?

Mr. STEVENS: We were talking about two things: the reference to the \$14.50 related to the fact that the regional Bank of Western Canada certificates were sold for \$15 and subsequently they sold around \$16. At a meeting of those holders we received their unanimous approval for the extension. The two per cent dissension was when the Wellington trustee holders were asked to extend for a further year and two per cent of those people said they preferred to have their money back.

Mr. MORE: Was their investment in Wellington?

Mr. STEVENS: Yes.

Mr. COATES: I have two questions. The first one I would like to direct to Mr. Coyne because it is one that has given me some concern and I would like to have his views on it. I have mentioned this in the House as well. We have, or