

Q. Speaking broadly and generally because I do not wish to go into it in detail, such rural credit acts as are in existence are not based upon the same general principles as this small loans legislation?—A. No; the philosophy of these rural credit schemes as I understand them is that they do not depend upon the profit aspect for the extension of the service.

Q. Would you care to express an opinion upon this, that the industrial or wage-earning classes in urban sections are entitled to the same consideration as the smaller borrowers in the rural section. I am speaking from the public standpoint?—A. I do not think anybody can dispute that. I would not care to.

Q. It has not come within your purview?—A. No; I have not investigated from that point of view.

Q. Let us come to this statement, which is the 1936 statement of the Central Loan Company. If you will look at it you will notice that loans under \$100 amounted to \$770,556 in 1936?—A. That is right.

Q. The total loans made last year amount to what?—A. \$6,269,586.

Q. Which works out approximately, I think, to about 13 per cent?—A. Yes, slightly under 13 per cent.

Q. All loans under \$100?—A. That is right.

Q. Will you please look at the statement. You will notice that loans from \$300 to \$500 amount to \$2,041,806?—A. Yes, that is right.

Q. That, roughly speaking, is about 33 per cent?—A. About that, yes.

Mr. BAKER: May I ask the hon. gentleman a question? Would it not be better to ask about the number of loans made than to ask about the percentage?

Hon. Mr. STEVENS: That is true.

Mr. BAKER: Will you kindly ask the number of loans?

Hon. Mr. STEVENS: Would you mind my pursuing the matter in this way—

Mr. BAKER: It is a question of the number of men provided with loans.

By Hon. Mr. Stevens:

Q. Quite so. The higher bracket represents about 33 or 34 per cent of the amount of money loaned?—A. Approximately that, yes.

Q. I gathered from the discussion a little while ago that it is your contention that the higher earnings that accrue to the company on the higher brackets have a tendency to attract capital to the companies who handle that class of business?—A. That is what I say, sir.

Q. Would you agree with this suggestion, that loans of these amounts and the class of borrower who seeks that kind of loan is a borrower who might be conceived to have access to the ordinary banking facilities of the country?—A. That is my view, yes.

Q. What would you think of the possible reaction to the suggestion that the chartered banks should be invited to set up departments and facilities particularly to take care of that class of loan, assuming, of course, that the bracket was put at \$300 for the small loan companies?—A. I think that is a reasonable suggestion to make because I think when you get above \$300 you are in the banking field, and in other places that is where that business is done.

Q. I think I gathered from you a moment ago that capital naturally drifts to the section where there is the largest profit?—A. That has been my experience. Sometimes, of course, capital makes mistakes like other people.

Q. That is the natural trend?—A. Yes.

Q. I think that is so.—A. I think that is a fair statement.

Q. Is it your contention that if the ceiling or the maximum were fixed at \$300, legislation of that character would have a tendency to bring pressure upon capital to extend activities in the lower brackets?—A. In this particular field, yes.

[Mr. Lionel A. Forsyth.]