

his debts are so top-heavy that we could not economically make him a loan sufficient to retire all those debts; that is to say, his paying capacity would not enable him to meet the monthly payments which would be involved in liquidating all those debts. In many of these cases we have to work out a budget with him, and determine just how much each month he can afford to set aside for the retirement of those debts. Frequently we have to go to his tradesmen and other creditors and try to arrange a compromise with them or settlement of some sort whereby he will advance to them each twenty-five or fifty cents on the dollar, and they will stand down and wait for three, six, nine or ten months for some more. A lot of details of that sort have to be gone into. But having determined that the applicant is able to make monthly payments of a certain figure and that he needs the money for some worthy purpose, then we arrange to have an outside representative as we term him go to the home and make an evaluation of the household furniture, and generally discuss that transaction with the wife. I would like to point out right now that practically all our loans are made on the signature of the husband and wife. The only security we have is a chattel mortgage on the household furniture. We do not take endorsements nor do we take any other type of security. We do not take stocks, bonds, or real estate, or anything like that. We just take the household furniture. In other words, we are interested in that home as a business concern. The duty of that outside man is to visit the home, as I say, I should like to explain here that in some towns and cities, such as the City of Kitchener—we do business in Stratford, which is about thirty-five miles away; Elora, about the same distance; Guelph, fourteen miles; Galt, Saint Mary's and so on—all those towns within a radius of forty miles. Our man has to go out to their homes, and these people get just as good service from our Kitchener office as if they were in the place of our home office. That involves expense. That is service our borrowers want and they are willing to pay for it. He might make one trip to one of these homes and find nobody home. He might have to go back two or three times before he finds them in. His job is to bring back to the manager a complete picture of that home. We are interested not only in knowing not only what the furniture is worth or what it would likely bring at an auction sale, but we are particularly interested in knowing the way that home is being run, whether it is being run on a businesslike basis, whether the people are stable, whether there is evidence of proper home management, whether that home is on the verge of break-up, whether there is evidence of domestic discord or whether the husband and wife are pulling together and the home is really a going concern, and that the money that we are going to put out is going to be used for some sound purpose.

Q. And if there was evidence of discord, you would not make the loan?—

A. I would not say that. It would depend on the degree. As I say, there is no hard and fast rule; but we want to know the facts anyway, and we are interested in such things, for instance—you might be surprised at this—as to whether the children in that home look neat and tidy, whether there is evidence of sickness or impending sickness. Perhaps the wife or husband when they come to the office do not disclose to us that the wife may be going into the hospital for childbirth in a few months. Those things are very important to us. We want to know if there is any likelihood of an emergency arising that will perhaps make it difficult for them to pay their debt. We want to know how long that man has lived in that neighbourhood, whether he is the man that he said he was when he came to the office. We examine some of his receipts to satisfy ourselves that he has been paying his rent regularly. Perhaps he will show us receipts establishing ownership of his furniture. As I say, we are just genuinely interested in that; and I think you will agree with me we have been busy, when I tell you in the past four years, having made loans in excess of \$15,000,000, we have not touched a single stick of furniture in the homes of any of our borrowers; we have never written a bailiff's letter or threatened to send the bailiffs