

it; but the net result of it, as I gather it, was: operating over cost and above the interest cost of money to the company of 1·4 and an actual spread between the loaning rates and the cost of money plus cost of operation of about 1·74. I would not hold you to that.

The WITNESS: It runs in my mind, too, that the figures I was quoting there were figures taken from the report of the Registrar of Loans and Trust Corporations for Ontario.

Hon. Mr. DUNNING: That is right.

The WITNESS: What those figures represent is this—that is, taking the report of the Registrar of Ontario—and that report deals with Ontario incorporated companies, plus companies doing business in Ontario and relates to dominion-wide business of those companies—that figure of 1·4 represents all the expenses of the company applied against all their assets.

Hon. Mr. DUNNING: That is right.

The WITNESS: And 1·74 represents an average spread between their revenues on their assets and their expenditures for interest on their debentures and deposits.

Hon. Mr. DUNNING: That is right. I should make it clear that I am not wanting to distort the figures, but 1·74 includes, of course, the 1·4.

The WITNESS: Yes, it must.

Mr. CLEAVER: 1·74 is plus profit.

The WITNESS: No, there is no question of profit or loss in those figures.

Mr. TUCKER: Is that in the case of urban and rural business?

Hon. Mr. DUNNING: Dominion-wide business.

Mr. TUCKER: It applies to both?

The WITNESS: It cost more for the rural.

Hon. Mr. DUNNING: I think your figure here, Mr. Leonard, is general.

The WITNESS: Oh, yes, it is general; it is not related to mortgages alone. It is the figure that takes all the assets of the company. Let us assume that the loan and trust companies had assets of all kinds, bonds, and so forth, of \$200,000,000, then the 1·4 would represent all the costs of doing business on that \$200,000,000.

Hon. Mr. DUNNING: That is right.

The WITNESS: That is the total cost of doing business not related particularly to mortgage costs.

Hon. Mr. DUNNING: But it would be very largely.

The WITNESS: I think you would probably find 75 per cent—

Hon. Mr. DUNNING: More than that.

The WITNESS: I would not like to say.

Hon. Mr. DUNNING: It does not cost much to administer a bunch of bonds in a vault.

The WITNESS: No.

Mr. CLEAVER: I wonder, Mr. Leonard, if we could obtain a fair percentage viewing the problem from another standpoint and taking a company with which you are very familiar, the Canada Permanent Mortgage Company. What percentage of its loans would be loans through capital invested by the shareholders and what percentage from borrowings?

The WITNESS: I do know that I am the proper person to speak as to that particular company.

Mr. CLEAVER: If you have not the figure in your head I would be content to wait for it, but I think it would be an interesting thing to know, because, in