

Mr. CLEAVER: On section 1.

Hon. Mr. STEVENS: I would suggest that we swear the president as a witness, and proceed with the examination. I would like to ask some questions on section 1, so I would suggest that the witness be sworn.

Mr. VIEN: Mr. Reid is vice-president and general manager.

ARTHUR P. REID, called and sworn.

By Mr. Donnelly:

Q. What is your position, Mr. Reid?—A. Vice-president, Central Finance Corporation.

Mr. FINLAYSON: And general manager?

The WITNESS: Yes.

By Mr. Martin:

Q. You are a Canadian, are you, Mr. Reid?—A. Yes.

By Hon. Mr. Stevens:

Q. Mr. Reid, who is president of the company?—A. Mr. B. E. Henderson.

Q. Is Mr. Henderson here?—A. No.

Q. He is where—in Chicago?—A. Mr. Henderson is, I believe, at the present time, on a vacation in Mexico. He had a breakdown.

Q. He is not available?—A. No.

Q. That is quite all right. I just wanted to make sure of that?—A. Yes.

Q. We are on section 1 of this bill, Mr. Reid. In that you are asking parliament to change the name from the Central Finance Corporation to Household Finance Corporation. I am presuming—and will you state, please, if I am correct—that the Household Finance Corporation name is being adopted because you are largely financed now by the Household Finance Corporation of the United States?—A. We are a wholly-owned subsidiary, except for directors' qualifying shares. As you are familiar, the Loan Companies Act requires that the majority of the directors be Canadians, resident in Canada, and that they shall each hold in their own right twenty-five shares of stock.

Q. Yes?—A. Except for the 125 shares which are owned by the five directors, the entire capital stock of the company is owned by the Household Finance Corporation.

Q. I notice in the reports of the company that this is \$2,500 each director has subscribed?—A. That is quite right—subscribed and paid for.

Q. And paid for?—A. Yes.

Q. And the Household Finance Corporation of the United States is the owner of, less the amount of qualifying shares, \$475,000 worth of the stock of this company?—A. Yes, \$500,000, less \$12,500 worth of stock to the directors.

Q. Yes, and they subscribed that in 1933?—A. All except \$25,000 worth of stock which was recently subscribed to complete the paid up capital.

Q. Yes, and that has continued down to the present. The business of the Central Finance Corporation has grown very materially during the past five years.—A. Quite so.

Q. I would like you to agree, if you will, with the date that I shall suggest in that respect. Outstanding loans in 1932—that is, at the end of December—was \$448,000. Is that correct?—A. Yes. I have not those figures right here, but they are substantially correct.

Q. I have the exact figures—\$448,843.88.

Mr. WALKER: Might we know what Mr. Stevens is reading from, so that we can follow it?