

that they have a higher rate than 2 per cent up to \$100; and 2 per cent from \$100 up to \$300—that is on the balances. Now, you will find that is so. If that is so then I say unless the cost of doing business in Canada is very higher on a rate of 3 per cent for the first \$100 balance, 2 per cent up \$300, they ought to be able to operate with that.

Q. Your suggestion was this, that the rate should be 3 per cent on balances up to \$100?—A. 3 per cent.

Q. And 2 per cent on \$100 to \$300?—A. That is right.

Q. And 1 per cent from \$300 to \$500?—A. I made that suggestion, I believe.

Q. Let us take that as the basis of the actual—A. Would you let me conclude. I believe now that you should not have any loans above \$300 at all.

Q. If you take that as the basis, and assume there are no loans over \$300, the rate would be what?—A. 3 per cent on the balance up to \$100.

By the Chairman:

Q. Per month?—A. Per month.

By Mr. Jacobs:

Q. Do you suggest that should be done by this committee?—A. I am suggesting it should be done—

By Mr. Deachman:

Q. 2 per cent?—A. On the balance above \$100.

Q. Here is what I want to know. Take a loan of \$300; what does that work out to on the actual loan per month?

Mr. VIEN: The rate?

By Mr. Deachman:

Q. Suppose I borrow that and I am going to pay it back on the basis of a year—you have things like that in your table—and it is 3 per cent on the first \$100, 2 per cent on the \$200; can you give me the actual rate?—A. I would have to work it out for you.

Mr. FINLAYSON: I have the figures here, Mr. Deachman.

Mr. DEACHMAN: Will you give them to me?

Mr. FINLAYSON: Yes, I will give you these figures. I had computed them some time ago, as a matter of fact.

Mr. DEACHMAN: I should like to have them.

Mr. FINLAYSON: I have them computed on the \$300 loan. The balance up to \$100 bears 3 per cent per month; the balance from \$100 to \$300 bears 2 per cent. The 2 per cent element will be repaid first, and when the loan gets down to \$100, the \$100 balance will bear 3 per cent until repaid, and that \$100 will bear 3 per cent while the first element is being repaid. Now, I had computed loans on that basis, because that is a very common basis that has been suggested, loans of \$100, \$200, \$300, \$400 and \$500. Perhaps I may as well give the whole schedule because the balance above \$300 bears 1 per cent. The \$100 loan would be, of course, at 3 per cent; the \$200 would be at 2.73 per cent; the \$300 loan would be at 2.54 per cent; the \$400 loan would be at 2.35 per cent; the \$500 loan would be at 2.17 per cent. I have had these figures checked over by our actuary since the morning session.

By Mr. Vien:

Q. You agree with that, Mr. Forsyth?—A. I think it is probably so.

[Mr. Lionel A. Forsyth.]