

By Mr. Cleaver:

Q. I take it that your objection to these companies having jurisdiction above \$300 is that they are encroaching on some other field, and that the service is not necessary. Is that it?—A. Well, that is one way of putting it. I do not put it just that way.

Q. Is that not the plain way of putting it, that the service is not necessary?—A. That is one plain way of putting it. There are several plain ways of putting it.

Q. The service is not necessary, because the field is already covered?

Mr. VIEN: Let the witness make his own statement.

The WITNESS: What I would say about that is that not only is the service not necessary, but where you allow these people—and I am not saying anything derogatory about any company; I say the same thing about the company that I represent—where you allow them to charge these high rates in the high brackets, the tendency is for the money to go in there where there is less expense of doing business and where larger profits are possible; and that the place that these companies should be destined to fill is not filled by them at all and the small borrower is left to the loan shark.

By Mr. Cleaver:

Q. With regard to these companies which supply the need in the \$300 class and upwards, what rate do they charge?—A. What companies?

Q. Well, the companies that you have been telling us about. You have already told us that there is no need for the small money lender to enter the field from \$300 and upwards. I say what corporations enter that field and supply that need?—A. In Canada?

Q. Yes?—A. Well, the banks supply it.

Q. Yes, and they charge a much lower rate?—A. It depends on what sort of security they get. I think the personal loan department of the Canadian Bank of Commerce, which is the only bank I know of which has made a real gesture in that branch so as to give it a separate department—their discount rate I think in the repayment plan gives them somewhere around $1\frac{1}{2}$ per cent a month.

Q. That is a much lower rate than we are now considering.

By the Chairman:

Q. $1\frac{1}{2}$ per cent?—A. $1\frac{1}{2}$ per cent.

An hon. MEMBER: 6 per cent discount.

The WITNESS: I think you will find that their rate works out to about $1\frac{1}{2}$ per cent a month.

By Mr. Cleaver:

Q. I suggest to you that their rate being so much lower, the competition will eliminate these other companies out of the field that is already served. In other words, you would not pay \$50 for a suit which you could buy for \$25?—A. Well, there are a good many things that enter into that. That is one of the reasons why I thought this matter should be very much more deeply investigated than it has been to date.

Q. Yes. Coming back to your letter—

The CHAIRMAN: That is what we are doing now, Mr. Forsyth; we are investigating this matter, and you are brought here to give us assistance.

The WITNESS: I will do anything I can to help you.

By Mr. Cleaver:

Q. Coming back to that letter, the second paragraph on page 4, where you thought the rate permitted by the proposed Bills H and C of the Senate are much too high?—A. Yes.