

Mr. WOOD: In my company, we have not.

Mr. CLANCY: You're darn right you have. That business is the biggest racket—getting them to sign this thing.

Co-Chairman Senator CROLL: Mr. Bell has a question.

Mr. BELL: Mr. Wood, we have had various witnesses who contended in a general way that the major loans more or less carried the cost of servicing the smaller loans. While I appreciate you may not have said this directly, you do suggest this. That is, you suggest that you perform a service to the lower income groups, and I also noted that in an answer to a question about the effect of the 1956 legislation you said that one of the reasons you were able to survive was that you went more extensively into the larger loan field. You also said you diversified. I think this was one of the ways in which you said you were able to get around your fears of the 1956 legislation. May I ask, if this is true, is it important, as the legislation exists, that you have this freedom in the larger loan field in order to service the lower income groups?

Mr. WOOD: As I mentioned before, there is very considerable competition in the field, and indeed with some maturities the rates are less than in certain areas in the small loans area. In fact I don't know of any company that charges more across the broad spectrum of large loans than they do on the small loans. There may come a certain point at which the rate over \$1,500 is in excess of the smaller loan level. For example, on a 9 per cent discount rate on a 12-month plan, the rate outside the act on a 12-month plan would be the same as for a \$1,000 loan. But there could be some larger loans carrying a higher rate.

Mr. BELL: The contention is made here that the banks are now moving into the small loan field. Are they moving into the smaller loans or is their business more generally in the larger loan field?

Mr. WOOD: My answer would be that they are moving into all loan areas, and that it isn't the amount of the loan that is establishing their area, but rather the income of the borrower. In other words, if the borrower is stable and has a good income whether he wants \$500 or \$1,500 sometimes he is able to obtain it at the bank. But it is rather the income factor that is the dividing point between the banks and our business rather than the size of the loan.

Co-Chairman Senator CROLL: Gentlemen, we have a number of members who wish to ask questions, and they must be given an opportunity to do so. Unless there is something you have to say that you consider absolutely necessary, make your answers very short and to the point. Now, Mr. Land, have you something to add to what has been said by Mr. Wood? Do you feel he has left something out?

Mr. LAND: I merely wanted to observe with respect to the bank loan areas, those are the areas in which the banks operate, that I think we can take it from their recent advertising that they are attempting to attract the larger sum borrowers because they are featuring the financing of automobiles.

Mr. BELL: What I am trying to get at is, are the banks carrying their share of the load? Is it not true they may be moving into the more lucrative larger loan field rather than performing the service you say your business performs in the lower income field?

Mr. WOOD: I have no statistics to support anything like that. However, it would be my belief from the loans being paid off by the banks that it is indeed the higher income borrower who is being serviced by the bank.

Mr. BELL: I think in previous hearings we have heard from your people that there was difficulty in obtaining money generally. Does this condition