

to any change in the existing maximum monthly charge, a careful investigation be made of the effect of a reduction on the operations of a representative cross-section of the smaller loan firms to avoid any possibility of eliminating loaning facilities which may be necessary or desirable to meet public need and convenience.

With regard to the general advisability of lowering the maximum rate of the monthly charge, it is noted that one of the largest operators has already reduced its rate to  $1\frac{1}{2}\%$  per month. It is understood that there are several other plans in operation by Toronto firms at rates varying from  $1\frac{1}{2}\%$  to  $2\%$  per month. The fact that one or more operators are able, because of volume and special facilities for obtaining capital, to operate on a lower charge than the present ceiling, should not, in itself, be taken as sufficient reason to require other smaller and less fortunate operators to do business on the same rates. It is evident from the operation of companies licensed under the Act that competition has provided a more favourable rate than the present ceiling, on the part of those companies whose conditions of operation permitted, from which the public are benefiting. It is to be anticipated, therefore, that, in line with general business practice, competition for the same service will ensure the lowest economical rate, provided sufficient companies are enabled to operate to develop healthy competition. The present situation and outlook, however, would seem to require retention of the present  $2\%$  ceiling rate to permit of licensees providing the varied types of lending service required by the public.

Commending these views to your favourable consideration, we remain

Yours very truly,

(Signed) F. D. TOLCHARD,  
*General Manager.*