

With regard to loans under 2*l.*, your Committee think it desirable that instead of the present complex table of charges, which it is difficult and sometimes impracticable to apply to current dealings, the following simple scale, which could be readily understood and applied, should be introduced.

The charge for interest should be one halfpenny per month for every 2*s.* or any fraction thereof advanced, and the charge for duplicates should be one halfpenny for advances not exceeding 10*s.* and 1*d.* for advances above 10*s.*

The Acts allow a period of grace for redemption, free of charge, for interest. No advantage appears to your Committee to result from allowing any additional term, free of interest, in addition to that prescribed by the contract. It rather tends to cultivate a lax and irregular mode of dealing. Your Committee are therefore of opinion that no period free of interest should be allowed for the redemption of pledges, and that for every fraction of a month less than half a month the charge should be made for the half month, provided it is not less than a halfpenny in amount.

By the existing law it is provided that all goods shall be kept for the purpose of allowing the redemption of them for a period of 12 months, and that after that has elapsed a period of grace of three months is allowed. This arrangement is found to be by no means suitable for a large portion of the business of a pawnbroker, and tends to prevent his dealing on terms most favourable for his customers, by compelling him to keep the pledges for such a length of time as to render it difficult to sell them in case of default. Your Committee are of opinion that the period now allowed should be reduced to six months, and that only a week's grace should be granted to guard the customer against errors or accidents in computing the time for redemption.

Some doubt appears to exist respecting the right of the pawner in the goods pledged after the period of redemption has expired. It appears to be quite impracticable to keep a separate account of the disposal of small pledges which for the most part may be most conveniently sold in gross. Your Committee are of opinion that all goods under 10*s.* in value unredeemed at the end of six months and a week should be absolutely forfeited, so that the pawnbroker should not be required to account for them; and that goods pledged for 10*s.* and upwards should be redeemable until sold, after which the pawnbroker should be required, during one year, to account for the surplus, if any, produced by the sale of the goods, deducting therefrom a per-centage for the expense of the sale.

These rates, together with the rules for forfeiting, selling, and accounting for the pledge, should be comprised in a convenient form as a statutory schedule, which should be printed on the duplicate for all advances under 40*s.*, and also for advances above that amount when no other contract is made.

By another provision of the existing Acts every person pawning goods is required to give his name and address, and to state whether a householder or lodger, and corresponding entries are to be made on the pawn note, and accounts thereof kept by the pawnbrokers. It does not appear to your Committee that any advantage results from these compulsory provisions as regards the description of lodger or householder, but it would be sufficient to provide that the name and address should be entered as at present, unless the pledger declines to give either name or address, when the refusal should be entered instead.

It is also provided that the pawnbroker is to endorse on the duplicate the amount of profit received by him on the redemption of the pledge, and is to keep the duplicate for a year. Your Committee think this provision entails unnecessary trouble without any corresponding advantages, and might be dispensed with; but the accounts to be kept by the pawnbroker should extend to the entry of the redemption of pledges, and that he should, when required, give a receipt for the amount paid to him, like other persons in trade.

Some uncertainty is said to prevail respecting the liability of a pawnbroker to make good the value of the pledge above the amount lent on it in case of fire. Your Committee are of opinion that the pawnbroker should be absolutely liable, within the time of redemption, to return the pledge or pay its estimated value, and that to guard against undue claims on him, he should be at liberty to fix the value of the pledge, and state it on the face of the duplicate, and that he should be entitled to ensure the whole of his liability.