

Paragraph 4 of clause 92 gives me a great deal of discretion, but I can tell the senators that the intent is to require disclosure in a form the same as is required by the most progressive of the provinces in this respect, and at the present time the most progressive legislation in this field in Nova Scotia and Ontario.

Senator PROWSE: Does that take care of the situation where a bank might say, "We will lend you \$200,000 at 6 per cent, on the condition that you keep a minimum balance of \$1,000 in your account all the time"?

Hon. Mr. SHARP: Yes. Provided it is related to the loan, that is right.

Perhaps I should add that this clause does not relate to big corporations. I am not certain yet how we will draw these regulations, but the purpose will be to protect borrowers who are not in a position to make their own calculations about the cost of borrowing. This clause is essentially for the purpose of protecting the small borrower to enable him to compare the cost of the borrowing from the bank, the true cost, compared to borrowing money from somebody else. If a large borrower wants to borrow from the bank it is assumed that he can make his own calculations.

Senator RATTENBURY: But the minister is probably aware that that practice is in effect now.

Hon. Mr. SHARP: Yes, and therefore the borrower who is borrowing—

Senator RATTENBURY: We know what we are paying?

Hon. Mr. SHARP: We know what we are paying. The small borrower is not in a position to make these calculations and is often misled by advertising, by the nominal interest. This will require the revelation of the true cost of borrowing.

The CHAIRMAN: Are there any other headings the committee would like to question the minister on?

Senator CROLL: Mr. Minister, with respect to disclosure as you set out under the act, and I think I know what you mean, that of course will apply to advertising as well?

Hon. Mr. SHARP: I was asked this question yesterday and I said that clause (e) of paragraph 4 would enable me to make regulations to that effect, but the question has not arisen in a practical way yet.

The CHAIRMAN: Are there any other headings that the committee wishes to question the minister on? I think we have touched on the main ones. I mentioned earlier the cash reserves and the secondary reserves, but we had that in the Bank of Canada discussion the other day and a good explanation was given by Mr. Beattie. If there are no other questions, are you ready?

Senator CROLL: I move the adoption of the bill.

Senator LEONARD: I would like to move an amendment to clause 18 and also to clause 76 along the lines we have been discussing in the house and in the committee today, before the bill is dealt with section by section.

The CHAIRMAN: I was not proposing to deal with this bill section by section at this stage, but to follow clause 18 now for the purpose of enabling you to propose your amendment.

Senator McCUTCHEON: What procedure are you suggesting, Mr. Chairman, so that we may be clear.

The CHAIRMAN: I was going to suggest that if there are any amendments to be proposed I will call the particular section so that the amendment can be proposed and dealt with; but when that is done I do not propose to go through the bill section by section.

Senator McCUTCHEON: Agreed.

Senator LANG: Before proceeding with that, are there any other witnesses to be heard from?

The CHAIRMAN: I am not aware of any other witnesses. If there are other witnesses who wish to be heard and have not acquainted me with the fact that they