

MasterCard and Visa are not, of course, the only credit cards in Canada. Outstanding balances on cards issued by the major department stores now run at about a third of the outstanding balances for the so-called bank cards. There are scores of other retailers who offer credit cards; many oil companies offer cards, though some of these are like American Express, Diner's Club, and other travel and entertainment cards in that they are charge cards.

Appendix 5 contains an exhibit showing the costs and terms of 14 bank cards and 19 other cards. This exhibit is from "Credit Card Costs—September 1989" put out by Consumer and Corporate Affairs. The data are for September 1st and generally show the costs and terms set out in the cardholder's agreement.

In some cases, however, the data on grace periods are for standard practices; the standard practice for The Bay, for example, is to allow 30 days for a grace period, although officially the term is 25 days. Whether the official or standard practice is shown depends on the card issuer. Some have standard practices that are more lenient than their official or posted practices but do not want this publicized.

The tables in the Consumer and Corporate Affairs publication show the wide array of terms available on credit cards in Canada—and these tables do not include the premium or gold cards available. The text with the tables highlights additional complications.

Over the summer recess, the Committee had one of its researchers prepare a Background Paper on credit cards (T.J. Thomas, "Interest Charges and Other Costs of Credit Cards," forthcoming). This paper examines the pricing of bank cards and retail cards, and shows, going step by step, how various transactions (purchases, cash advances, partial payments and full payments) would affect interest charges.

The paper clears up some misconceptions about credit cards, but also shows that the comparison of nominal rates for different cards may not indicate the best deal for consumers. The following are the major findings for the so-called bank cards and retail cards.