

26th (the first day of the new statement period) to September 6th (the day before the payment was made).

The work of this Committee builds on previous work of the Finance Committee and, to some extent, parallels the work of the Ministers responsible for consumer issues. Doing similar work to these Ministers is not necessarily a bad thing, as more publicity should be given to information about credit cards. In his appearance before this Committee, Mr. Don Blenkarn, M.P., commented on the "Credit Card Costs" paper put out regularly by the Department of Consumer and Corporate Affairs:

I think the government has gone some way in terms of its disclosure paper that it brings out every quarter, but not nearly far enough. I think the paper is excellent, the study is excellent, but it is kept under a bushel so nobody sees it.

Information is the key issue in the credit card market, as it is in the market for other financial services and, indeed, for most consumer products. Good information on the costs and other terms of credit cards is becoming available, and this Committee (and the Ministers responsible for consumer issues) want to make sure that that information is of use to the average consumer.

EXTENT OF COMPETITION IN THE CREDIT CARD MARKET

Whether a spread between a card rate and the Bank Rate of 7 or 10 percentage points (or any other figure) is "too high" depends in large measure on the extent of competition in the credit card market. The Finance Committee found evidence of a highly competitive market in Canada, with a large number of card issuers competing on the basis of the price and non-price elements of their cards. In addition, there are alternatives to credit card borrowing such as personal lines of credit or specific consumer loans.

Since the time of the Finance Committee Report competition in the credit card market in Canada has, if anything, increased. The number of issuing institutions for MasterCard or Visa has increased from 10 to 13, and there are scores of affiliated institutions offering these cards under their name and independently setting the interest rate and other terms for the card.

More stores now accept the so-called bank cards. By the end of the 1988 bank fiscal year, almost 650,000 merchants accepted these cards—up by over 100,000 from the time the Finance Committee began its study of credit cards. More large retailers now accept bank cards, so the direct competition between bank cards and retail cards has intensified. American Express has introduced a general purpose credit card, Optima, that will compete with the