On April 3 last I placed on Senate *Hansard* a table showing the extent of the retail credit extended to consumers in each year from 1952 to 1961. There was a substantial increase each year from 1952, when the amount was $1,073 million, until December 31, 1961 when it was $2,349 million. These statistics come from the Bank of Canada. The latest figure, as of the end of June, 1962 is $3,417 million.

I have an article taken from the Ottawa *Journal* of July 13 last, headed "Canada's Credit Spree". In part, it reads:

> Thrift, to some economists, is an old-fashioned and not an entirely respectable virtue. Too much saving stagnates the economy, goes the theory. Business booms and everyone prospers when the consumer, with credit or with cash, buys, buys, buys.
>
> There is enough truth in the theory to make it attractive. Certainly it has become part of the way of our times to go into debt in buying a house, a car or major appliances. Borrowing even for luxuries carries no stigma. The man who saves until he can pay cash for his home or his car is a rare bird.

Hon. Mr. Lambert: May I ask, is that total consumer figure all-inclusive?

Hon. Mr. Croll: Yes.

Hon. Mr. Lambert: It excludes mortgage charges, but consumer credit represents everything else?

Hon. Mr. Croll: That is right.

The article continues:

> But what do we say in the face of the Dominion Bureau of Statistics' cold figures this week that the total debts of Canadians to the banks rose by 21.2 per cent in one year? How are we to regard the increase of 18 per cent in home improvement loans, the 11 per cent rise in debts to department stores? The small loan companies increased their lending by 11.2 per cent.

Honourable senators, it is easy to forget that the problem did not escape unnoticed by the Royal Commission on Canada's Economic Prospects—the so-called Gordon Commission. On page 439 of the volume entitled "Conclusion" there appears the following:

> The insensitivity of consumer-borrowers to the costs of funds may be impossible to overcome, but as we suggested in chapter 5, we should at least take steps to ensure that individuals are informed of the rates of interest they are required to pay and informed in such a way that they may easily, without using slide rules, compare the rate charged at one source with the rate charged at others. If the suppliers of the funds themselves continue to display an unwillingness to advertise their charges clearly and effectively, it may be necessary to exercise Parliament's jurisdiction over matters pertaining to rates of interest and pass legislation requiring uniform, clear announcement of the rates of interest charged on loans to consumers, in terms of some common formula.

There could hardly be a more precise endorsement of the principle of the present bill than what I have just quoted from the Gordon report, and I could not put it better.

May I add that President Kennedy is also in my corner—and, I hope, in the corner of the Senate. I have a press clipping from the Ottawa *Citizen* datelined, "Washington, March 16, 1962," which says:

> President Kennedy has sent Congress a large package of proposals to protect the consumer, including instalment contracts that reveal the true rate of interest.

Next I quote from the *U.S. News and World Report* of March 26, 1962:

> Mr. Kennedy urged legislation to provide what he termed "truth in lending". Lenders would be required to tell borrowers before they sign on the dotted lines and this would apply to all types of credit, including instalment buying.

Honourable senators, I do not believe there is any opposition of consequence to the principle of this bill and on second reading it is the principle of the legislation that is under consideration. If there are arguments about details, they can be dealt with adequately in committee. That is what our committees are for, and it is a function they perform extremely well. It is there that the practical effect of the bill can best be canvassed.

Nor do I believe that we need be concerned further over the question of constitutionality. It is legislation in respect of interest, a subject-matter assigned by the British North America Act to the "exclusive legislative authority" of the Parliament of Canada. If this is so, it is no answer to say that it is a matter of contracts and thus "Property and Civil Rights within the Province".

Indeed, "interest" has been held judicially to include "contractual interest". It has also been suggested—without, I believe a shred of authority to support it—that interest must be narrowly construed to mean "regulation of interest", and that "regulation of interest" must, in turn, be construed to mean the establishment of maximum ceilings for interest. However, the cases do not support any such narrow construction, nor does the