

equally valuable contributions which are reflected throughout the report and acknowledged in the foreword.

BUSINESS

The Executive Council of the *Canadian Chamber of Commerce*, spokesman for 850 Boards of Trade and Chambers of Commerce throughout Canada, 2,700 corporation members and 25 association members, set out the overall point of view of business. The focus of the Chamber's brief was on purchase credit rather than loan credit, and two members of their delegation also appeared before us when we heard representations from organizations which spoke more particularly for businesses engaged in large-scale retail operations, and finance companies which buy conditional sale agreements.

It was pointed out that of the total consumer credit outstanding at the close of 1963, roughly 60 per cent was in loan credit, chiefly held by chartered banks, loan companies and credit unions. Excluding the \$54 million owing to oil companies through the use of credit cards, the remaining 38 per cent — more than \$2 billion — was "purchase credit", i.e. credit created by way of sales, by retail merchants. Nearly half of this purchase credit was assigned by the retailer to sales finance companies.

We were told that purchase credit would be "most directly affected by any legislation calling for interest rate form of disclosure," and the position was taken that "since the cost of credit is effectively the difference between the cash sale price and the time sale price it may be contended that it is unreasonable to ask that this mark-up be expressed in terms of an annual rate per year." The Chamber would rely on competition, which they say keeps cash prices in line, to do the same for the price of credit.

It is argued that "conversion of credit charges to interest per annum and the stating of same in a contract at the time of sale (1) is not practical in the case of all credit transactions; (2) that such legislation would seriously affect sales; (3) that the results would involve increased costs; (4) that such practice would tend to obscure rather than clarify credit costs and (5) that the requirement would impose a problem on all retailers but would particularly work a hardship on small merchants." The Chamber therefore supports disclosure of the dollar amount of finance charges, which they say the purchaser can