

What these salesmen are usually quoting is not a true interest rate, but an approximate discount rate, in which you pay interest on money you've already paid back. It is this mathematical trick that allows them to quote lower rates without a twinge of conscience.

Now, I said I would deal with the question of demand for the bill.

Hon. Mr. Emerson: May I ask the honourable senator if he has been reading from an article written by Pierre Berton in the *Toronto Star*?

Hon. Mr. Croll: Yes. You know him by reputation. He is a very well-known columnist.

Hon. Mr. Emerson: Oh, yes.

Hon. Mr. Croll: I now go to the question of demand. On another occasion I said, and I repeat now, that the principle of this bill has the support of the Consumers Association of Canada, the Canadian Federation of Agriculture, the Canadian Congress of Labour, the Canadian Welfare Council, the Canadian Catholic Conference, the Anglican Church of Canada, credit unions, co-operatives, and numerous organizations. There have been countless editorials in many papers, on the principle involved in this bill, and I have yet to see one in opposition. The support for the bill is snowballing, and I believe it will soon be overwhelming. It is interesting to note that this is not a party bill or a partisan bill. Last year a Conservative member introduced a similar bill in the House of Commons. This year a Liberal member and an N.D.P. member of the House of Commons introduced bills similar to the one that is before us now.

I have before me a copy of a letter which was sent to me, dated March 1, 1962 and addressed to the Honourable Salter Hayden. This letter was written by an investment counsel of the city of Toronto, and reads as follows:

The *Globe and Mail* today quotes you as doubting that all the people who buy on time have no knowledge of arithmetic and have no native shrewdness. I respectfully suggest that your information in this area may be inadequate, and that careful interviews would show that many of the people who buy on time have but a vague understanding of the total cost, and scarcely any understanding of what it means as a rate of interest. It is true that most people, if informed that the financing of the merchandise will cost \$50 and that the interest will be 25 per cent (your example), would proceed with the transaction in any case, but at least

they would have the opportunity to understand, and the opportunity to compare. Moreover, there are some people who would not proceed with the transaction, because they would decide that the cost was too high.

On purely economic grounds I believe a strong case can be made for legislation of this type. Disclosure would foster comparisons and competition, and would lower the cost of consumer financing. Free economic forces would accomplish what regulation never can. There would be economic benefits of a broader nature also, because a reduction in the profitability of consumer lending would tend to channel funds into more productive and constructive activities. (You will be well aware that there are ample funds in Canada for conservative loans at 5 per cent to 7 per cent, but an inadequate flow of funds into more venturesome and creative investments where the appropriate return is higher.)

He continues:

The foregoing sets forth rather inadequately why you have seen so much support for the bill from what you describe as "responsible public organizations and in newspaper editorials". I think the closer one is to the man in the street the more one sees the need for this legislation. It seems to me morally desirable, economically sound, easily workable, and consistent with the spirit of free enterprise.

I believe that passage of the bill will reflect credit upon those who support it.

Now let me say something on the other point raised: Can it be implemented? Is it workable?

The suggestion was made that the bill could not be implemented because it could not be made workable. I refer you to, and remind you of, a letter which I read to this house on April 3, 1962, written by a university professor. I had called him earlier and asked him if I could use the letter, and he said, "By all means." The letter was written by Professor Stanton of the University of Waterloo, head of the Department of Mathematics since the day the department opened.

The letter was addressed to the Financial Editor of the *Toronto Daily Star*, and dated March 30, 1962. This letter can be found on page 437 of the Senate *Hansard* of April 3, 1962 but, as I want the record to be a continuous one, I shall again read it.

Dear Sir,

It is perhaps unnecessary to write you, since others have probably already