

ties, and they hold as security all the resources of the people of those municipalities. In the case of the city of Calgary, at one time the bankers practically refused to finance the city. The submission states:

The city's banks have declined to finance the city for the year 1933 except on a month to month basis notwithstanding the fact that at the present time the 1932 current carry-over of \$750,000 has been reduced by tax arrears payments to approximately \$270,000 and that the total debt to the city's bank on current borrowings is approximately \$70,000.

At the present time we have received no assurance of our ability to carry on until the end of the year, and the school board, which depends upon the city for its finances, is in a similar quandary.

It would seem, Mr. Speaker, that it should be the duty of the government, either in connection with the revision of this act or in connection with the act to establish a bank of Canada, or perhaps by a separate act, to set up some body that will finance municipalities in Canada.

I should like to point out that the burden of unemployment relief has made financing by our municipalities in many cases almost impossible, and the municipalities are not in any way responsible for the fact that unemployment occurred. It is the financial policy of this country more than anything else that has created and is responsible for this unemployment, and I have heard that some financial institutions have in certain cases practically dictated to the cities the amount that could be spent on relief. In the year 1932, not much over a year ago, there was an apparent attempt by the Bank of Montreal to dictate to the city of Calgary as to whether or not they should pay the interest on the city's bonds in New York funds. The city of Calgary resisted, and at one time the Bank of Montreal virtually told the city that if they would not pay the premium on exchange the bank could not extend the credit facilities which the city had been led to understand it would receive. Those administering the affairs of the city of Calgary have saved the city considerable money by refusing to pay the premium on exchange, and I believe most of the bond-holders of the city of Calgary have been glad since that time, to take Canadian currency. The submission of the city of Calgary to the Royal Commission on Banking and Currency recommends:

That in conjunction with the establishment of a central bank in Canada or under the direct control of the Finance department a subsidiary corporation be formed for the purpose of providing credit or financial assistance to the cities and provinces of Canada. . . . The present situation where the capital credit of cities can

be determined by the manipulation of bankers and brokers should be terminated.

I absolutely agree with that. I see, Mr. Speaker, that my time is almost exhausted, but I should like to emphasize that one point before I go any further. The banks should really share a large part of the responsibility for the condition that now exists in regard to unemployment. They are in control of the big institutions which furnish most of the employment. They control the corporations who laid off these workmen in many cases. Their financial policy has been one of deflation. Canadian bankers almost universally when they have discussed the question of monetary policy during the last three years have been absolutely opposed to inflation. Further, they appear to have been supporters of a policy of deflation, which certainly has been going on, and the fact that the bank loans were depressed by \$932,000,000 is a clear proof of this deflation, which has caused, if not the bulk, at all events a large amount of the unemployment in Canada. But to-day the banks will not accept any of this responsibility. I think they should accept some of it. Either that or they should be prepared to see some national body set up that will assume responsibility in connection with financial matters.

In the few minutes left to me I want to make just a few suggestions as to amendments that I think should be considered when this new Bank Act is before the banking and commerce committee.

First, in regard to the returns which are made by the banks to the government. In addition to the information which is now required I believe that the banks should be required to show their total gross earnings from interest charges, exchange and other operations, and give a detailed statement covering the disposition of such earnings, including wages and salaries paid, and the amount written off for bad loans. If the bankers are as efficient as they would lead the public to believe, and I have no doubt on that score, they need have no hesitation in giving this information. Their depositors are entitled to it, and we are told repeatedly in this house that it is the depositors' money which they loan. Almost any other concern in Canada gives such details of its gross earnings and what is done with those earnings.

Secondly, I would like the banks to give in their annual or monthly statements the amount of deposits and loans by provinces; and in their yearly statement they should give the distribution of loans for various purposes—agriculture and other industries, loans against