

It is our opinion that not the least of the reasons accounting for this difference is the strength of the Canadian banking system. In the throes of the Great Depression, banks in the United States were failing at the rate of hundreds per month. At the close of the Great Depression the whole of the commercial banking system in the United States collapsed, and every national and state bank from the Canadian to the Mexican border was compelled to close its doors. During this period, not only did no Canadian bank fail, but the retail business—and, in fact all Canadian business—maintained their organizations in a sounder and more solvent state than would have been possible in a situation such as existed in the United States. Unquestionably, Canadian business and the Canadian people were spared from enormous losses during these difficult years, because of the strength of the Canadian banking system.

We believe that the maintenance intact of our commercial banking system is of vital national interest; and we note that the numerous amendments to The Bank Act which have been sponsored by the government (all of them, no doubt, intended to simplify banking operations in Canada) do not threaten to change its fundamental character.

In general, we hope that, as soon as may be, the many restrictions on business which have appeared in recent years will be relaxed. At present all business of every kind is drastically regulated by government. Monetary controls and commodity controls, taxation sometimes of an almost punitive character, the system of price ceilings, the virtual rationing of our labour supplies—these and a multitude of other restrictions not only curb inflation and canalize our energies into the war effort, but would under peace-time conditions make it difficult to do business at all.

The retailers of this Dominion realize that these controls have been necessary. They support and have supported them as emergency measures. They will continue to support them as long as the present emergency lasts. Retailers are, nevertheless, individualists. They believe that they can run their own business better than any bureaucracy can run it for them. Furthermore, they would regard, with the greatest of misgiving, restrictive new controls on the banks (at a time when they believe the lifting of controls on other forms of business is approaching) which would in any way make it more difficult than formerly for individual Canadians to secure necessary credit.

We take a keen interest in credit, not only because from time to time, like other business men, we find it necessary to borrow, but also because we grant credit on a large scale to the consumers of this Dominion; and further, because credit is the basis of our business commitments here and abroad.

In a very real sense, the retail merchants are purchasing agents for Canada's entire population. Our commitments in many cases cover long terms. Whether it be rugs from Persia, silks from China, metalware from Benares, pottery from Holland, worsteds from England, or sardines from Norway—the time occupied between the placing of an order and the moment when the goods ordered are taken off the retailer's counter may be twelve months or more. Both as regards the credit that we give and as regards the credit that we receive, we have an overwhelming interest in stability. We welcome—other things being equal—changes that make for stability. Proposals threatening stability we strenuously oppose.

We have had in mind also that ours is a growing national community. This Dominion will not indefinitely contain less than twelve millions of people, nor continue permanently to do business on the limited scale of past experience. We take it, therefore, that there must continuously be provision for the growth of our business institutions, in order that they may continue to serve the growing needs of Canada. In time to come more capital will progressively be needed in order to make possible for us all a larger volume of business. For this reason, we believe, it is in the national interest that no restrictions be placed