

now been proven by the astounding industrial and agricultural production, which is without question the highest per capita production achievement in history. With some assistance from the Government workers and farmers stepped into this gigantic task in 1940, not with the assistance of banks. In the case of farmers, they had lost confidence in the present Chartered Banks.

The working portion of 11,500,000 Canadians have during the past four years, shaped a new economic pattern, upon the languid foundation of the past. Every step in developing this new pattern, involved an element of risk. It called for inventiveness, and initiative. It required vision and the spirit of venture, which is not lacking in the men and women of our country, if given the opportunity, to display their skill, arts and talents. This high quality of incentive and the will to do, must be maintained and encouraged to further heights, to make Canada the great nation it can be.

It is our considered belief that the no venture policy of our Chartered Banks will prove to be an obstacle in the way of such economic and social advancement.

The Canada we envision, can only be developed with freedom to individuals to apply themselves to the labour or service of their choice; freedom to develop many new enterprises; freedom of governments to administer the affairs of provinces or the dominion without fear or favour, and freedom of the intelligent use of the credit instruments of the nation which is essential and vital to such development. We have refrained from submitting a maze of figures in this memorandum, and have also refrained from submitting a lot of technical banking phraseology.

We consider the only matter that has to be decided, is whether or not the men responsible for the operation of Canada's banking and credit system are fit and proper persons to be entrusted with such important responsibilities.

Our considered opinion is that, the present operators are not fit and proper persons to be entrusted with the operation of the nation's money and credit instruments, for the following reasons:—

(1) Many of their past transactions have been questionable in character, and have been a transgression from the privileges allowed them under the Bank Act.

(2) They proved inefficient during the years from about 1924 to 1929 inclusive, in that during those years, they did not or would not foresee the effects of their inflationary action.

(3) They failed the nation in the subsequent years of extremity.

(4) They refused to voluntarily assume their proportionate share of the loss suffered by almost all Canadians, individually and collectively.

(5) They refused to stand by their accepted securities for loans advanced, and demanded further security on many occasions.

(6) They call upon governments to assume responsibility for transactions entered into by themselves, where the ability of the borrower to pay had become questionable.

(7) Because no private individuals or corporations are fit and proper persons to operate a nation's money and credit instrument.

We therefore recommend that Bank Charters be extended only one year, and that steps be taken by the government of Canada to administer the banking and credit system of the dominion, with the least possible disruption, and that except for the elimination of unnecessary duplication, the present public service structure be maintained.

All of which is respectfully submitted.

F. T. APPLEBY,
President.

FRANK ELIASON,
Secretary.