

of the overall volume of such business, are certainly matters of real distress and do call for preventative measures. The difficulty is to find remedies that do not carry with them damaging side effects. In this respect, we feel strongly that the intention underlying Bill C-5 should not be accomplished by means entailing a change in the whole concept of Section 88 which the passage of the Bill would bring about. The useful place in Canadian financing held by Section 88 over the years indicates that remedial measures for the problem under consideration should be compatible with the broad general interests of the producer sectors as a whole and should be of a nature that will permit the small processor to continue to obtain the credit he needs while at the same time affording added safeguards for the credit risk to which the farmers are exposed. The banks are convinced from experience that Section 88 as it now stands serves the essential needs of many businesses in circumstances where other financing, if available, would probably be more costly.

Legislation Affecting Banking Generally

Finally, we would like to record our general view that legislation, such as Bill C-5, which would affect established powers and procedures for the carrying on of banking in Canada as laid down in the Bank Act should always be a matter that is acknowledged to fall for consideration within the scope of the decennial revision of that Act. We, of course, recognize that the Standing Committee on Banking and Commerce now considering Bill C-5 is the Committee which will have the responsibility next year of dealing with the revision of the Bank Act. These decennial revisions look into all aspects of banking at the one time and this has the merit of ensuring that proposed changes are examined in the context of the subject as a whole. On occasion Bank Act revisions are preceded by special studies of the nature now being made by the Royal Commission on Banking and Finance which Commission has had presented to it by the public at large a broad range of viewpoints.

Respectfully submitted on behalf of
The Canadian Bankers' Association

H. L. Robson
Secretary.

December 10th, 1963