

debts would be declining and public savings available for investment, rising, so that a considerable reduction in banks' security portfolios could take place without unduly affecting the interest rate structure.

Incidentally, I do not think that an attitude of hopelessness towards the commercial loan situation is warranted. Between December, 1936, and December, 1938, these loans rose from \$675 millions to \$806 millions—an increase of \$131 millions or 19 per cent.

Naturally, I do not suggest that the position in respect of commercial loans is satisfactory, because I agree that business conditions are not satisfactory; but I do think an improvement in one will give an accompanying improvement in the other.

(c) Chartered Banks: Annual Classification of Loans in Canada, 1934-38

(Submitted by Mr. Towers in reply to Mr. Landeryou)

(Volume 21, page 704)

(Department of Finance)
(Millions of Dollars)

As at October 31	1934	1935	1936	1937	1938
Financial:					
Call loans and other accommodation to brokers and dealers.....	90.7	66.7	97.4	73.5	62.4
Loans to specified institutions.....	70.0	63.1	73.8	69.0	66.9
Loans to individuals against securities.....	115.2	101.2	111.5	142.8	120.5
Total Financial.....	275.9	231.0	282.7	285.3	249.8
Provincial Governments.....	26.8	29.7	14.7	26.4	22.8
Municipal Governments and School Districts.....	107.4	96.8	92.0	94.2	114.5
Farmers Loans, Cattle Loans, Fruit Raisers.....	64.2	59.9	54.0	57.5	56.8
Merchandising, wholesale and retail.....	117.5	113.8	115.9	129.6	133.7
Manufacturers of and dealers in lumber, pulpwood and products thereof.....	74.3	73.0	64.9	62.9	75.2
Other manufacturing of all descriptions.....	140.1	119.2	130.0	156.6	138.4
Mining.....	6.6	6.8	6.9	6.1	8.9
Fishing, including loans to packers and curers of fish.....	7.0	7.2	8.2	7.7	8.7
Loans to Building Contractors and others for building purposes.....	21.8	24.1	23.7	33.6	39.2
Loans to Churches, Hospitals, Charitable and Religious institutions.....	19.7	16.1	14.8	16.4	19.4
Other Loans.....	66.5	52.3	53.0	61.6	74.7
Sub-Total.....	927.8	829.9	860.6	937.9	942.0
Public Utilities, including Transportation companies.....	71.4*	71.3*	8.4	11.9	24.9
Loans to Grain Dealers, Grain Exporters and Seed Merchants.....	150.5	166.4	64.5	30.8	91.7
Total Loans in Canada.....	1,149.7	1,067.6	933.5	980.6	1,058.6

* Includes \$48 mm. of special loans to C.P.R. which were guaranteed by Dominion Government and which were repaid from the proceeds of bonds issued early in 1936.