

THE CANADIAN CHAMBER OF COMMERCE

BOARD OF TRADE BUILDING

MONTREAL

August 17th, 1933.

Serial Letter to the Member Boards and Chambers, No. 32.

Dear Mr. Secretary:-

The MacMillan Commission considering the Canadian Bank Act and Canadian monetary and credit conditions generally, is now engaged in its enquiry. As the Prime Minister stated in the House of Commons last May, "It is important that there should be afforded an opportunity to present the viewpoint of every person that is affected." "We shall see to it that an opportunity is given to everybody who so desires, to speak with respect to banking from the standpoint of the country as a whole."

In the cities where the Commission holds sessions, it will be easy for the Board or Chamber to put forth whatever views it may hold. We hope that this facility will be used and that our membership wherever possible locally will have made or will make the effort to have their ideas submitted to the Commission. We further believe that it will be worth while for the Canadian Chamber to draw a composite picture of what the Boards and Chambers and business generally are thinking as to our Canadian monetary and credit systems, and to prepare what we trust will be a helpful memorandum for the Commission.

Will you therefore write me briefly concerning any recommendations your Council or membership may have on the financial policy of the Dominion as outlined under the various headings in the terms of reference of the Commission, a copy of which I attach hereto.

The fundamentals of monetary policy are not as complicated as sometimes they are made out to be. We are not seeking in any case the more intricate information. What we should like to gather together, however, are the opinions obtaining locally on a few basic questions and the reasons for holding these opinions.

To simplify your answering this letter the following questions may be suggestive:-

- (1) Does your Organization believe that the Banking system has stood Canada in good stead during both normal and more difficult times?
- (2) Has your Organization recommendations to make as to any modifications, extensions or developments in the Banking institutions and the Canadian monetary and credit systems, which, if made effective, would in your opinion be designed to promote the revival of domestic and foreign trade and the general increase of employment and to ensure a greater measure of stability in respect thereto?

Suggested Headings for Comment

- (a) Central Bank:
Among other functions would be to make available and to influence the quantity of credit that can be extended by the commercial banks to the business public.
- (b) The availability of credit.
- (c) Interest Rates.

The Commission will have completed its enquiry in a couple of months and will doubtless bring in its report to the Government before Parliament reassembles. The Report itself will then probably be the subject of debate before the Banking and Commerce Committee of the House of Commons. It is clear, therefore, that these questions on banking and finance will be prominently before the people of Canada these next months. As organizations representing the best business thought in the different communities, we need to think on these matters of national interest and to express not only our individual, but our co-ordinated views.

May we have your prompt co-operation so that we may together perform a useful and timely service.

Yours very truly,

Wm L. Clarke
Secretary.

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