

on the Canadian Banking System, that would either prevent the banks from giving adequate service as required or that would retard the progress of business organizations.

We note that the government-sponsored amendments embodied in Bill 91 are most of them concerned with detail; with such problems as the subordination in minor matters of the chartered banks to the Bank of Canada; the gradual replacement of other bank notes by the Bank of Canada's notes; the simplification of lending procedures; and the simplification of returns. All of the changes suggested for these ends we believe to be good.

Although as retail merchants we do not obtain loans under Sections 88 and 89 of the Bank Act, nevertheless we have a very keen interest in any measure which extends credit to consumers and thus adds to purchasing power.

As Canadian citizens, we welcome the proposed changes in Section 88 (1), which are intended to fit in with collateral legislation, still to be brought down, and which will make credit available, more readily than in the past, to farmers on intermediate terms, and to fishermen.

We note that Section 88 (1) (g) and (h) covers the making of advances to farmers "for the purchase or installation of . . . a farm electric system" and for "alteration or improvement of an electric system". It is our thought that the definition of "a farm electric system" should be enlarged to include electrical refrigerators, ranges, washing machines and radios when installed on a farm.

We feel that there is ample justification for such a procedure. In order that the farm and its operations may be conducted efficiently, the farm housewife inevitably plays a dual role. Not only does she take responsibility for the proper maintenance of the home (including in many cases direct provision of board and lodging for the hired man); but she belongs also to the farm's working force. She does her own chores, such as gardening, milking, poultry raising; and sometimes butter-making and the picking of small fruits. Her contribution to the farm's work thus directly depends on the labour-saving devices at her disposal in the home, as much as on labour-saving farm machinery. She cannot make her most effective contribution on the farm, unless her domestic tasks are lightened as far as possible.

We do not know whether an amendment to Section 88 (1) (g) and (h) would be required, in order to make provision for this; but if that is the case, we venture to suggest that the term "farm electric system" should be enlarged accordingly.

In the same spirit in which we welcome the suggested revisions above mentioned, we welcome also the principle introduced in Section 91 (2); which will enable customers of the banks, not possessed of suitable collateral, but nevertheless regarded by their bankers as good "credit risks", to secure small personal loans at rates of interest much lower than they would have paid previously to lenders outside the banking system.

Retailing, primarily, is the business of buying and of selling merchandise. Owing to the lack of facilities, a great many merchants have been required to be bankers as well, especially in the financing of goods sold on deferred payments. As there are many expenses connected with this method of selling, it would unquestionably be in the public interest—if such purchasers could secure loans from the banks and thereby increase the percentage of goods sold for cash.

We do not suggest that retailers or other lenders outside the banking system be restricted at all in the amount of credit that they extend—but we do suggest that the extension of the small loan business by the banks should result in more goods being purchased for cash and therefore lower prices to consumers. We believe that the methods of taking security, contemplated in Section 91, are adequate and we hope that loans of this kind will in time come to be made in great numbers.