

and interest for every day other than Sundays during the year 1936. That, at least, is the figure given by Ames and Company, in connection with dominion, provincial and municipal matters. That being the case, one can realize how important it is that our credit position in the United States should not be destroyed.

Then we had Great Britain, where we were successful in making a loan or two, but where, owing to a combination of circumstances, partly provincial and partly municipal, we could no longer make borrowings, so we were driven to make loans from our own people. It is true that what one might call treasury bills have been floated at less than one per cent, because under the legislation of last year we set up a bank in which the chartered banks must keep their reserves without receiving interest on them, and in turn those reserves are being loaned to this country at less than one per cent interest. It is true that the banks complained that this was not very conducive to their making money, but that institution which we set up has been discharging to a very marked degree the functions of a central bank by permitting at least the treasury bills of this country to be sold at a very low rate of interest.

So we had recourse for our borrowings to the great financial interests of the country, the insurance companies and the banks themselves. I have often listened to some of our hon. friends asking why the banks should have such large sums of money which they have not loaned, and why they have to put their money into bonds or treasury bills or short term notes. Well, the answer is because there is nobody to borrow that will repay. It may be that there is a lack of confidence on the one hand or fear on the other, but the cold-blooded fact is that several of the chartered banks of this country have thirty, forty or fifty million dollars which they desire to loan but which they cannot loan. It is not a question of credit entries or cross-entries; these are sums that have come to them from their depositors which they would like to loan to borrowers who would repay, but which in the discharge of their duties they cannot loan to borrowers who will not repay or who will never be in a position to repay. That is the situation that prevails in this country. It prevails also in the United States to a marked degree, and in England to a lesser degree. Never has the accumulation of money in chartered banks been as large as it is to-day in these three countries, Great Britain, the United States and Canada. If hon. members will pick

up the report published every so often in the New York daily papers as to the assets and liabilities of the largest of the banks there, with assets exceeding two billion dollars, they will find that the amount of money on hand available for loans which cannot be loaned in safe loans involving any possibility of a return being made, is larger than it ever has been in the history of the country, and the four great chartered banks in England—

Mr. McGEER: Where does the right hon. gentleman get the returns showing the surplus of money on deposit in the banks that is not loaned? What returns are those?

Mr. BENNETT: I only took the report appearing, for instance, in yesterday's New York Times with regard to the great Chase bank. That report shows the deposits and the loans and the necessity of investing the money that has been invested in United States bonds, treasury bills and that sort of thing. That is the return I meant; that is the return which is available.

Mr. McGEER: I understood the right hon. gentleman to say that it was a return. Now, I understand that it is a report in the New York Times. I should be very much surprised to find that information in the New York Times, but I will look it up.

Mr. BENNETT: It is what would be called a bank return; the law requires it to be published every so often. I happened to notice three or four of them yesterday. One was the report of the Manufacturers' Trust; another was the Empire; another was the Chase National, and another was the National City Bank. I remember seeing the report of the Guarantee Trust not long ago, also. Never has there been such a large accumulation of money that the banks will not loan because there is no likelihood of getting it back from those who desire to borrow it, and those who usually have been borrowers are no longer borrowing money even where confidence has returned to the extent it has in the United States. Much less is that the case in Canada.

The point I am endeavouring to make—and it touches this very matter which we are discussing this evening—is that we have had recourse more and more to the savings of the people in the life insurance companies, for example, to take up our securities. There must come a time, if borrowings continue to an unprecedented extent, when they will have to consider their position. That is the reason everyone is so vitally concerned about