

(5) *The Planning of Facilities for Loans to Farmers and Fishermen.*—Certain amendments are proposed that will make it possible for the chartered banks to supply 'intermediate' credit needed by farmers and fishermen to increase the efficiency of their operations or to add to the amenities of life on the farm. Under a proposed new Farm Improvement Loans Act the Government will give guarantees up to 10 p.c. of the aggregate of eligible loans, to banks in respect of certain loans to farmers, and the maximum rate of interest to be charged by the banks will be 5 p.c. simple interest per annum. Such loans may be made to farmers who own their own farms and also to purchasers under agreements for sale and to tenant farmers. They may be made for the purchase of implements upon the security of such implements, for the purchase or installation of equipment or of farm electric systems or for permanent improvements generally, upon the security of such equipment or improvements.

At the time of going to press with this section of the Year Book, the revision of the Bank Act as submitted to the House by the Minister of Finance on May 2, 1944, had been referred to the Banking and Commerce Committee. The final legislation will be reviewed in the 1945 edition of the Year Book.

The Canadian Banks and the Dominion's War Effort.—Because for the most part they operate on a nationwide scale, the chartered banks of Canada have been from the first in a position to exercise an extraordinarily potent influence in the furtherance of Canada's war effort. The experience, resources and organization of these banks, with their thousands of branches throughout the country, have been placed unreservedly at the disposal of the Dominion Government, and have been of great assistance in carrying out much of the administrative work connected with the control of the numerous and complicated measures necessary for the maintenance of financial equilibrium. The services of banking experts have assisted in operations connected with financing war operations of ever-increasing scope.

To-day, the volume of business handled by the banks is on a level phenomenally higher than at any time in their history, yet their staffs of experienced men are much smaller than in peace-time, owing to the fact that nearly 7,000 of their younger men are serving in the Armed Forces. These men have had to be replaced by women, quickly and intensively trained for the work.

The most onerous war work devolving on the chartered banks has been the administration of the regulations of foreign exchange control. These regulations, which are numerous and complicated, entail much extra work by the staffs of the leading offices, involving as they do explanations to customers, advice as to procedure, the filling out of forms, and full responsibility for all the innumerable international transactions involved.

Other war work includes handling details connected with the offering and sale of Victory Bonds; selling war savings certificates and war savings stamps; ration coupon banking on the lines undertaken by the banks in the United States; establishment of branches at military camps; cashing of innumerable cheques for Government employees and members of the Armed Forces and their dependants; the cashing of coupons for the hundreds of thousands of holders of Victory Bonds; the administering of much detail of Canada's cheque stamp law; the collecting and clearing of millions of income tax certificates relative to coupons, cheques and other items cashed and received for deposit.

All this extra work has become part of the routine of banking in Canada.