

some \$920,000,000 in NHA mortgages, representing about 5 p.c. of total assets. Another change affecting housing in the 1954 Revision enabled the banks to make Home Improvement Loans under a guarantee system rather similar to the one developed for Farm Improvement Loans. By the end of 1962, Home Improvement Loans amounting to \$275,000,000 had been approved and the banks had about \$70,000,000 of such loans on their books.

In November 1960, the Small Businesses Loans Act was passed guaranteeing, under terms to the banks similar to those of the Farm Improvement Loans Act, certain types of bank loan to small businesses for the purposes of making capital improvements to premises and equipment. This provides for loans that do not fall within the usual scope of bank lending to small business, by reason of the term nature of the loan, together with the lack of collateral resources of the borrower. Of course, chartered banks make loans to small businesses for a great variety of purposes, including many of a medium-term character; indeed, the working capital loan to the small-size or medium-size industry or commercial enterprise is the traditional stock-in-trade business of the chartered banks.

In April 1961, the charter of the Export Finance Corporation of Canada Limited, which had been incorporated by special Act of Parliament in June 1959 for private interests, was acquired by the chartered banks. The principal purpose of the Corporation is to assist in the medium-term (one to five years) financing of exports which have been insured by the Export Credit Insurance Corporation, a Crown company.

Still another area of lending which has expanded greatly in recent years is that of consumer credit. While the banks have always made some personal loans, they have recently moved aggressively into the field of lending to the general public for the purchase of automobiles, consumer durables and debt consolidation. Following the 1954 Bank Act Revision, and partly as a result of the change then made which enabled the banks to take chattel mortgage security, some banks have developed extensive consumer credit divisions. Personal loans made by the banks, other than those secured by stocks and bonds and Home Improvement Loans, mounted from \$420,000,000 at the end of 1957 to \$1,330,000,000 outstanding at June 30, 1963.

Outside of Canada, the Canadian banks have continued to expand their branch systems in the Caribbean area, although the two Canadian banks operating in Cuba have found it necessary to withdraw. Elsewhere abroad, the banks have expanded their representation in South America and in Europe. In recent years the growth of an international money market, following the economic recovery in Europe and the restoration of confidence in the stability of the Western economies and their currencies, has led to large movements of Western capital from one centre to another. The Canadian banks have participated extensively in this international money market, mainly through New York and London where most of them maintain large offices.

The postwar growth in bank assets has been accompanied by a substantial increase in total earnings. Earnings per share of capital employed did not increase to the same extent, however, as the banks found it necessary to raise new funds from time to time after 1950 in order to maintain an appropriate relationship between their shareholders' capital and the rapidly rising level of risk assets. The banks have been among the largest issuers of new share capital to Canadians in the past quarter-century.

Subsection 1.—Statistics of Chartered Banks

Branches of Chartered Banks.—Although there are fewer chartered banks now than at the beginning of the century, there has been a great increase in the number of branch banking offices. As a result of amalgamations, the number of banks declined from