

Banking on banks

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Byline: **Nancy Hughes Anthony**

The headline Hey Mr. Banker, Why Won't You Spare A Dime? (Report on Business, Feb. 23) wrongly implies that business lending by Canada's banks has declined. In fact, Bank of Canada data show that banks increased credit to businesses of all sizes by 13 per cent from December, 2007 to December, 2008, while lending to business by all providers grew by only 4.8 per cent in the same time period.

There are clear indications that growth in financing from non-bank sources - such as finance companies, leasing companies, commercial paper and bond markets - has slowed and in some cases even declined. Banks are working to fill these gaps, but are not able to take up the entire slack from all other sources.

Nancy Hughes Anthony

President and CEO,

Canadian Bankers Association