

**Letter to Toronto Star**  
**June 7, 2010**

To the Editor:

Re: *Bank tax doesn't get to the root of the problem* (June 6, 2010)

Angelo Persichilli sure says some odd things about banks in his June 6 column. Not only does he wrongly assert that Canada's banks operate in a rule-free environment that could lead to a future financial crisis, he also ignores the major contribution that banks make to our country's economic health.

The banking sector in Canada is one of the most highly regulated industries in the country and our banks are among the best managed in the world. This is why Canada's banks largely avoided the problems seen in other countries as a result of the global financial crisis.

In 2009, Canada's banking sector employed some 260,000 Canadians in high quality, professional positions and paid out more than \$11.1 billion dollars of profits in dividends. As most Canadians are shareholders in Canada's banks either directly or through the CPP, pensions and mutual funds, these payments are to the benefit of the vast majority of all Canadians and their retirement savings.

Canadian banks also contributed to the country's economic well-being through tax payments and business lending; in 2009 banks in Canada paid more than \$7.5 billion in tax and provided 1.2 million small and medium-sized businesses with financing to help their operations thrive and grow. And, contrary to what Mr. Persichilli says, the very low default rates that banks have on their loan portfolios shows that they lend prudently to those who can pay the money back.

While we can agree that a bank tax is not the right way to address the capital and liquidity challenges that banks in other countries faced during the financial crisis, it is too bad Mr. Persichilli can't appreciate the fact that Canada's strong and stable banks are at the heart of our economic well-being.

Sincerely,

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