

Mr. LEWIS: I am not saying this, Mr. Coyne, to raise any doubts about the institution you propose, but when was the last time that a bank in Canada failed?

Mr. COYNE: It was in 1923.

Mr. LEWIS: And, that was the Home Bank?

Mr. COYNE: Yes.

Mr. LEWIS: And, have there not been many more failures than that in the United States since then?

Mr. COYNE: Undoubtedly.

Mr. LEWIS: Would you not say the number of failures in the United States was somewhat related to the huge number of banks in that country?

Mr. COYNE: Yes.

Mr. LEWIS: Then I repeat my question. Is there not a danger in extending the right to just anyone, to any respectable person, of course, because I assume any one who requests a charter is likely to be respectable.

Mr. COYNE: Yes.

Mr. LEWIS: You think that this right should be given to any respectable person?

Mr. COYNE: There may be more danger of this under private auspices than under public auspices, but there is no danger of depositors losing any money and, in any event, it could be covered by some form of deposit insurance such as they have in the United States. But, I think the provision for inspection by the Federal Government ought to be such that the depositors are protected, and then, so far as the shareholders are concerned, that would depend on a number of factors, on the quality of the management, on sheer accident or good fortune. But, that is why people become shareholders, to take their risks in respect of profits or losses.

Mr. LEWIS: I was more concerned with the depositors than the shareholders. I know the shareholders take the risk, and that is their business. But, do you agree that deposit insurance would be a good thing for Canada?

Mr. COYNE: Oh yes, undoubtedly; I have been of that opinion for a long time. I am not referring to just banks but all deposit making institutions.

The CHAIRMAN: Members of the committee, I would like to remind you that we are dealing with the specific bill to incorporate a specific bank.

Mr. LEWIS: I thought I was dealing with that very thing because the first point Mr. Stevens raised was: Is there room for more banks? I want to know exactly what that statement means and how far this committee or parliament should go.

The CHAIRMAN: But, Mr. Lewis, this committee may have to decide first whether there is room for this bank.

Mr. LEWIS: I am prepared to say, assuming that their associates are as respectable as Mr. Stevens and Mr. Coyne appear to be, that there may be room for this bank, but that does not answer my general question, which concerns me very much.