

the clauses as they stand, which are of the same effect as the clause in the original Bill which provided that purchase of banks might take place with the consent of the Minister of Finance. The tendency of the present day is towards monopoly by combination in trade, transportation and finance. The banks are our great financial organizations. They control all the liquid assets of Canada; they hold in their hands billions of the dollars of the people, and upon their handling of that money very largely depends the course of commerce and of business generally throughout the Dominion from year to year. It is recognized that in finance, as in trade or transportation, it is for the good of the public at large that there should be competition, and, considering the number of banks that we have in Canada, it is presumed that we have a measurable or reasonable degree of competition in the handling of financial matters. As I have said, the tendency of the age is towards monopoly by combinations. There is evidence that that tendency exists in the financial world, in the banking world, and in the world of industry, trade and transportation. I shall not go into details to prove the point, which is accepted by everybody, that competition is good and that monopoly is bad; therefore I need not delay in placing before the committee the view that if it is desirable that there should be competition amongst banks, it is desirable that the elimination of competition by combination should be facilitated by legislation of this Parliament. It is true that times occur and occasions arise when combination becomes desirable, and when it becomes impossible to prevent it without doing injury. Admitting that, for the sake of argument, I still maintain that whether or not a combination between two of these special and separately chartered and privileged institutions should take place should be in the hands of Parliament and of Parliament alone. There have been granted to each of these institutions, under the authority of Parliament, powers, privileges and rights to be exercised in the interests of the public as well as of the individuals immediately concerned. The interests of the public are, to a measurable degree, jeopardized by the combination of any two of these separately and specially chartered and empowered organizations. It seems to me to be elementary that that combination should not take place except on the responsibility and with the knowledge and authority of Parliament. I have already said in regard to the Bank Act, and particularly in regard to the Act as it comes before us in its present form, that the tendency is to relieve as much as

possible, those great financial institutions of government control, to create of those institutions, so to speak, an Empire within an Empire, to place upon them responsibility which, in my humble judgment, should not pass from the government which represents the people through Parliament. We have, I say, handed over to the banking institutions authority that should have been retained by Parliament, and the tendency of this measure is to still further hand over that authority to them. The result is that just in proportion as authority is placed in the hands of the combined banking organizations of the country, so that authority can be used for the purpose of eliminating competition from time to time by closing out this, that, or the other bank, and amalgamating two or more existing banks. That being the case, and I do not think that any person can deny the proposition I have placed before the committee, the last thing this Parliament should do, if it recognizes the purpose of its existence as being the protection of the interests of the people at large, is to permit the elimination of competition under the control of banking companies without the sanction or authority or limitations that might reasonably be placed upon the banks by Parliament. I desire to place before the committee my view that, in so far as these sections of the present Act, or of the Act as it formerly existed, for it makes no difference to my argument, make provision for eliminating competition by establishing combinations without the special sanction, authority, and restrictions of this Parliament, they are contrary to the public interest and are, to that extent, objectionable.

Section agreed to.

Mr. WHITE: I think we might now take up the clause in which my hon. friend from Westmorland (Mr. Emmerson) is interested.

On section 79—acquisition of real estate:

Mr. EMMERSON: This section as it appears before us reads as follows:

The bank may acquire and hold real and immovable property for its actual use and occupation and the management of its business, and may sell or dispose of the same, and acquire other property in its stead for the same purpose.

Rightly or wrongly a very common impression prevails throughout the country that the banks have invested an excessive amount of their capital not merely in bank premises, but in real estate which they lease to others. I propose to place before the committee an amendment to the section as follows:

The bank shall not expend more than 5 per cent of its combined capital and reserve in real estate.

I shall also move that a further subsection be added as follows: