

● (4:55 p.m.)

Mr. LAMBERT: Granted, but it is fairly competitive.

Mr. COYNE: May I just say also that in point of fact we have seen, during the last twelve months, a situation in which the banks quite frequently outbid the trust companies for short-term money and the banks increased their deposits of this character, the term deposits and corporation deposits bearing interest by very large amounts, \$700 or \$800 million in 1965.

Mr. LAMBERT: Thank goodness there is competition.

Mr. COYNE: They were protesting that they could not afford to do it but they did do it. The banks have many advantages which the trust companies do not have.

Mr. LAMBERT: Still, as to the source of funds, one of the almost exclusive avenues that the Bank of Western Canada would have of raising funds in eastern Canada for use in western Canada is actually obtaining some of these term deposits.

Mr. COYNE: I myself do not see that as a probability on any large scale. There may well be something that has to be worked out in the future. The banks themselves may say that they lend money in western Canada more than they take in there; they have never given a breakdown of their deposits or loans geographically. My impression is quite the contrary. I am quite sure in my own mind that the provinces, other than Ontario and Quebec, provide sums for bank loans in Ontario and Quebec. It is true that these other areas are deficient capital areas even more so than Ontario and Quebec but they do not get that capital in the form of bank loans, as far as I understand the situation; they get it through the capital market, through mining companies, paper companies and elevator companies raising equity capital or debenture capital in the capital market and investing in their undertakings in these other provinces. However, I will be convinced in my own mind, until banks provide evidence to the contrary, that the volume of bank deposits in western Canada is substantially greater than the volume of bank loans in western Canada.

Mr. LAMBERT: I am subject to correction but I know this varies with banks in cities, that certain banks within a city will be known as real saver banks and others will be quite the contrary.

Mr. HORNER (*Acadia*): I wonder whether we could not have the Inspector General comment on that to see whether or not he can add anything to what Mr. Coyne has said with regard to whether or not western Canada is a surplus or a deficit area.

The CHAIRMAN: Mr. Horner, it is my intention to ask the committee to hear Mr. Elderkin as a witness on his own once we complete our questioning of these two witnesses before us now.

Mr. LAMBERT: I have two questions left. On March 18, 1964, when this application was first before the Senate committee, Mr. Elderkin indicated that at that time there were almost 6,500 branches in Canada, which was almost double the number that there was at the end of 1945, and that there was roughly one branch office for every 3,300 persons in the country. This was a far greater number than the corresponding figure for either the United States or the United Kingdom. Does this not take into account in the province of Alberta a peculiar institution which exists there known as the treasury branches which