

*Private Bills*

proved as rewarding as any major speculative stock in the resource area.

Even though some may suggest that bank stocks are good investments and that if the free enterprise system is to work we should set up another bank, I am not at all sure that we need to set up any more banks. Actually, I am not convinced that the trend that has developed in banking in Canada during the last 20 years is not a good one. The Dominion Bank amalgamated with the Bank of Toronto, to become the Toronto-Dominion Bank. The Imperial Bank joined up with the Bank of Commerce. I could give more examples. I think most major banks seem to have amalgamated with other banks in the last few years. Now we are getting down to the point where there are only five or six major banks in this country, if we exclude one small bank in Canada that operates in a peculiar way under the Bank Act because it is not Canadian owned or controlled. By amalgamating, the banks have grown bigger. They have branched out into subsidiary operations, small loan operations and mortgage operations. The trend has not been towards the development of another bank.

I was going to say, Mr. Speaker, that if I go to borrow money at the bank the rate I will pay on that money is fixed. That, however, is not quite true. If I do not need the money, the rate will be lower than if I need it badly. It is easier for me to borrow money when I do not need it badly. When I need it desperately, I may not get it, and when I do not need it the banks will lend it to me. That has been my experience. However, if I needed a loan desperately, I would be "hosed" with regard to interest rates no matter whether I borrowed from the Bank of Nova Scotia, the Royal Bank or any other bank. I think the financial pages will tell you what you normally have to pay for a loan. That is to say, you know how much the central bank charges the chartered banks. That rate does not vary as between banks. Of course, from an investor's point of view, bank stocks are lucrative, since banks are making considerable profits. However, speaking as an individual who does business with the banks, I say that if you discount the personality of the bank manager and ignore the makeup of the people who work in a bank, there is really no difference between one bank and another. Therefore, why should there be another bank?

It costs a great deal to set up banks. In my town, which has a population of 3,000, there are three banks. Other towns with populations of 17,000 or 18,000 enjoy the services of perhaps seven or eight banks. It appears that in some towns there are more banking institutions than companies that bank money. Old bank buildings are not abandoned. The banking operation is carried on in buildings which no longer belong to the bank that carried on business there. Even after amalgamation, old leases are kept in force. The banks like to operate a second branch in a community. For example, on Sparks Street there are two banks of the same name and occasionally when I just put "Sparks Street" on my cheques and not the full address of the bank, my cheques are sent back NSF. I do not have money in the big bank; I only keep it in the small one. Clearly, we have ended up with more buildings than we need in the area for the provision of banking services.

Surely, social reasons have not been a factor behind the setting up of banks. If you go to the *caisse populaire* or

credit union to borrow money, you will be treated differently than you would be by the small loans department of one of the chartered banks. They have a different method of handling loan operations. Also, if you go to a finance company, you will be treated differently again. Of course, I am told that finance companies handle collections in a way that is totally different from the way credit unions, *caisses populaires* and banks handle those collections. I suggest, Mr. Speaker, that we must be very careful before we set up any vehicle for the making of money in banking. Frankly, I want to see a bit more competition in the banking field. I should like to be able to go to one bank and, after hearing they will only pay 4 per cent on my deposit, go to another bank which might offer 4.25 per cent, or to a third bank which might only offer 3.75 per cent. If that were possible there would be some competition in the banking field. At present I do not think there is. If one bank changes the rate on deposits, all other banks in Canada follow suit. There seems to be absolutely no value from the general public's point of view in having seven or eight banks in this country. There is a cost. It is a bit like an insurance company. If an insurance company moves into a town, it costs money to erect a building. Someone has to pay. I am inclined to believe this cost is added to my car or life insurance. It is added there and in the end, I may pay. If an insurance company is established, it will make money. It is a good investment. However, it may not be in the interests of the nation.

● (5:20 p.m.)

Members opposite talk about competition. I am sure no member opposite will indicate that he knows of competition in the field of banking. It may be a great way to make money on an investment, but as far as the general public is concerned there is no competition between banks. Banks do not serve the needs of the people to the level they should. If they did, we would not have the Industrial Development Bank or Central Mortgage and Housing Corporation. We are the people who are taking all the risks in the investment field in this country. We handle all the bad investments and allow the banks to handle the good ones. It seems foolish to allow a number of people to come before Parliament and say that they have talked to 80 investment companies, that these 80 investment companies have visited and questioned the people who invest with them and have decided that a new bank is a good investment, a good place to make money. It is a place where you can put your money with a good chance of a high rate of return.

I am no more sure than the member who asked the question whether the banking institutions should not play some role in the development of our industries. We have plenty of banks to supply the necessary competition. If we do not believe that, then members of Parliament in the past were derelict in their duty to Parliament and the Canadian public. I do not know of any banks merger that was turned down. There has never been any consideration given to turning one down.

We have decided that bank mergers do not come under the Combines Investigation Act. These mergers are not the type that will contribute to abuses of the competition system. You cannot use that argument, however, and at the same time maintain that we are a free enterprise