

Private Bills

Mr. Peters: I am glad that my colleagues agree with me in some instances. Instead of having many valuable projects they now have debts in respect of these projects. In respect of this bill I think we should give very serious consideration to the fact that we are not meeting what appear to be the needs of the people who sponsored it. If you read the report of the board of directors you will be well aware of the fact that in appointing, for instance, Mr. Gunderson, as an executive of this bank, they were in effect asking that this bank be established on—

Mr. Howard: A friendly basis.

Mr. Peters: —a farsighted exploitation basis. I am sure everyone will agree he has been connected in one way or another with most of the development which has taken place in that province. In appointing him I am sure they were looking to someone who would be sympathetic to the future expansion they wished to make in the field of credit. So I am very surprised that the hon. member for Kootenay West, the hon. member for Cariboo, the hon. member for Fraser Valley and others now agree that this bill should pass, because I do not think it does anything. This policy may result in new banks being built in Toronto and Montreal, but now that there is no obligation for the executives of this bank to be British Columbia residents, oriented to the west coast and the peculiarities of that former colony, in my opinion we are doing nothing more than adding another bank.

• (5:30 p.m.)

In our previous discussions with regard to the other chartered bank incorporated by parliament the same arguments were put forward. We have now had a period of time in which to evaluate the influence that has been exerted by that bank. We find it is pretty well a Toronto-oriented bank controlled from Toronto. No particular advantage has flowed from its establishment. Therefore, Mr. Chairman, I believe that in this instance we are failing to do what the people of British Columbia indicated they wanted in the establishment of this bank, and in my opinion we are just creating another bank.

I have always been of the opinion that the committee which is now reviewing federal legislation governing banks should be charged with making a recommendation whether additional chartered banks are necessary. I have found that banks are not competitive. If you cannot get a loan from one bank, my experience has been that there is no point in going

to the other banks in town because all the managers have got together and made decisions on the type of loans they will make that month. Therefore, if the money you require does not fall into that category of loan, there is no point going to different banks to obtain money. There is no competition in this field.

I am aware that personalities enter into the question of whether one is granted a loan. Some bank managers are nicer than others. But I have found that when you go to borrow money this difference is not so apparent. In the main there is no competition in the rates the banks charge. There is no difference in their trust or respect for the individual. It is a hard, cold, cash-on-the-barrelhead proposition. They are giving out the money and you have to establish a case. If the case you put forward does not meet the criteria of the time, the bank does not make the loan. I think this will be true of the Bank of British Columbia.

In the back of my mind there is already the fear that if we create a large number of these banks we will raise the operating costs of banks to the detriment of many communities in obtaining an adequate level of service. It is quite true that in a small town with two or three banks people will change from one bank to another. It may be that in British Columbia everyone will support this bank because over the doors it will have the name "Bank of British Columbia". This may impress people. It has not impressed me in Ontario. I have never been into a Province of Ontario Savings Bank. In fact, I asked today just what its purpose was. I know they have a branch on Sparks Street in this city. Perhaps it serves some function; I do not know. I do not see the people of Ontario rushing madly to that bank because it has the name of the province over the door. The situation may be different in British Columbia, because I have found that residents of that province are quite parochial, and if they can keep their money at home they may patronize this bank.

The reasons given a year ago, when this bill was first introduced, for the creation of this bank are pretty well nullified by the amendments that have been made to the bill. I believe there is little advantage in passing the bill. Therefore, unless the committee is prepared to turn down the amendments the bill will not meet the needs of the people of British Columbia or the aspirations of the government of that province.

The Acting Chairman (Mr. Richard): Order. I regret to advise the hon. member that his time has expired.