

## Private Bills

At page 50 of the proceedings of that committee on July 22 appears the following statement:

Hon. Mr. Bennett: I would say that British Columbia welcomes the Laurentide bank as well.

I can only assume that the premier's friends here in the house, both in the Social Credit party and in the Cr ditiste party, will allow this bill to go to committee in order to indicate that the premier was being completely frank and honest with the Senate and with the country.

In deciding whether to incorporate this bank or any other bank one must surely apply the standards laid down by the Minister of Finance (Mr. Gordon) in the house some months ago. First is it properly financed? I say that the Laurentide bank of Canada, with a proposed capitalization of \$30 million, with the support it will obtain from Laurentide Finance Corporation and the general public, is properly financed. Second, is it supported by financially responsible people? In my opinion, Mr. Speaker, in my brief outline with respect to the sponsors of the bill I have indicated that they are financially responsible people with wide and varied experience in the business life of their communities. Third, will control of the bank remain in Canadian hands? Section 5 of the bill provides for this.

I suggest that the Laurentide bank of Canada meets all of these conditions and careful scrutiny by the members of the banking and commerce committee will satisfy them that the Laurentide bank should be incorporated. In the words of a Vancouver *Sun* editorial of July 25, 1964:

The bank is assured of a broad and diversified ownership, yet its backers have the resources of experience to ensure that it will be firmly established. One of its main objects is to meet the special needs of British Columbia industry and people. In this it will fill a long felt want. We welcome the bank's progress and wish it success.

There is no good or valid reason, Mr. Speaker, why the bill should not now be referred to the banking and commerce committee so that careful scrutiny of its proposals can be commenced, and I ask the house to give the bill second reading now and refer it to the banking and commerce committee.

[Translation]

Mr. Laprise: Mr. Speaker, would the hon. member allow me to direct a question to him?

Mr. Basford: Certainly.

Mr. Laprise: Does the hon. member know that the sponsors of Bill No. S-13 have asked for three million shares, which would increase the sales value to \$30 million instead of \$10 million? Is that correct?

[Text]

Mr. Basford: Yes, this is true. An amendment to the bill was made in the other place. The original bill provided for a capitalization of \$10 million and an amendment was moved and approved in the Senate to make the capitalization \$30 million or three million shares.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact that this year we are seeing a proliferation or a sort of covey of applications for the incorporation of banks, I think it would be useful to look at the history of banking and chartered banks in Canada to see what has been the effect of the chartering of banks. Today we have a very limited number of chartered banks which are all engaged in the branch banking business. I suppose it is ultimately the intention of the incorporators of the Laurentide bank and of those who have other such proposals before parliament to go into the branch banking business, if business so warrants. Otherwise one might say to them: You are limiting your operations; all you want to do is to get in on the cream of the business.

In so far as stability and the requirements of the banking system of this country are concerned, banking is a quasi-public service and there are responsibilities in so far as the public of Canada are concerned with regard to the offering of banking and credit facilities. We know that much of the operations of the chartered banks today, particularly with the great expansion in the number of branch banks, is on the basis of a quasi-public service. If one were able to study the profit and loss statements of each branch, he would see that a great number of the smaller branches are in effect operated at a monetary loss, although I am sure that in the over-all picture they are not operated at a loss. Otherwise the chartered banks, who are not in the business merely shall we say for charitable purposes, would certainly not continue the operation of branch banks measured only on a profit and loss basis.

However, in the examination of any of these proposals to incorporate new chartered banks I think it would be good to look at the evidence of the superintendent of insurance when he appeared before the banking and