

Private Bills

Bank, or even the Mercantile Bank which is in serious difficulty today.

We are finding that our friends south of the border who are interested in our financial institutions are putting on the largest financial lobby they have ever conducted in any country. They are using such things as direct mailings to many sources asking for support and carrying an open threat. We learn from our local newspapers that a similar lobby also is being conducted by some of the institutions controlled by the banks.

It is not really the extension of banking that is necessary in Canada. I am sure it was the wish of those who were interested in the Bank of British Columbia that they would have in this particular organization a bank which would be sympathetic to the people of British Columbia and would be oriented particularly to the specific problems of British Columbia. It would seem to me that with the removal of clause 5, whether or not it was necessary, a great deal of the purpose of this bank has been eliminated. In a subsequent clause, clause 11, I believe, we took away any other advantages that might have accrued to the people of British Columbia.

I am not a member of the committee on finance, trade and economic affairs and, as one of my colleagues says, "Perhaps that is a good thing; it is confusing enough now". That also may be so. I believe, however, that originally there was some merit in this proposition. I do not think it is unlike the proposition that was originally put forward in respect of some of the provincial banks. It is interesting to note that in respect of the provincial banks across Canada there never was enough money available so that the banks could be anything but savings institutions. Because of the competition in terms of the interest rate being paid on deposits, banks such as the Province of Ontario Savings Bank, the Post Office banks and banks of that nature really never influenced in any way the financial capacity of this nation in its ability either to gather or distribute wealth.

In respect of the Bank of British Columbia it seems to me that while one may or may not agree with the purpose or the methods used, I think one may agree with the object they had in mind because I believe it is safe to say that in many areas the policies of the chartered banks we now have work a greater hardship on specific areas than they do on other areas. I am aware, for instance, that a number of years ago in northern Ontario, in fact before the depression of the early 1930's, the Canada

[Mr. Peters.]

Permanent Trust Company had lent a great deal of money in northern Ontario. As the depression developed the loans were called and the loss suffered by the Canada Permanent Trust Company at that time has prohibited it ever going into that part of the country to make loans again. I think this has reflected also on the banks. It is interesting to note that agencies of the government such as the Farm Credit Corporation underwrite land values at such a low figure that it is very difficult to borrow an amount of money which has any relationship to the selling price of the property. In northern Ontario it costs \$50 an acre to clear land and yet the Farm Credit Corporation allows only \$25 an acre in respect of loans.

This has been the policy of the banks and I see nothing in this bill which would indicate that there will be a change in British Columbia in what I consider to be a regional problem, the problem the banks have in getting together to make a decision with regard to whether or not an area should be supported. In the last few years British Columbia has had considerable development. I am sure this has created in British Columbia a need for greater sympathy from the lending institutions of the nation. This sympathy has not been exhibited by the chartered banks. I am aware of the fact that when British Columbia decided to build the Peace River dam it had considerable difficulty in raising the very large sums of money necessary for that project. I think one could honestly say—

An hon. Member: They got them from the United States.

Mr. Peters: My colleague is suggesting that they borrowed the money from the United States. The government of British Columbia should be able to look to the banks in Canada to borrow that money instead of having to sell out the Columbia River project and some other things in order to arrange large borrowings in the United States.

Mr. Herridge: Mr. Chairman, I must rise on a point of order. The hon. member is misinformed. The government of British Columbia received certain sums for the building of certain projects on the Columbia river. It did not borrow this amount of money.

Mr. Patterson: I should like to say that the hon. member is misinformed on another point when he says that we sold out the Columbia river project.