

Mr. STEVENS: I think a more appropriate name would be Canadian Financial Investments.

Mr. McLEAN (*Charlotte*): I note that the liabilities to the public in the last three years of the trust companies, the mortgage loan companies, and the sales and finance companies have gone up by about \$4 billion. Apparently quite a proportion of this business has been taken away from banks. No doubt if there were more banks they could get more of that business, but could they get it under the six per cent ceiling?

Mr. COYNE: No, I do not think they could.

Mr. McLEAN (*Charlotte*): In your opening statement you talked about the banks' inner reserves and the total of the inner reserves. I always thought that was a secret between the Governor of the Bank of Canada and the Finance Minister; I did not know those figures were published.

Mr. COYNE: They are published by the Bank of Canada. The reference I made was not to the amount of the reserves. I do not know that the amount has ever been published, although the report of the Royal Commission said something about it. What they do publish is the amount added to the reserves each year not by individual banks but as a whole.

On your previous question about the mortgage companies increasing the business under the six per cent ceiling in competition with the banks, I would say that if they were subject to the same ceiling as the banks and if they did not have the advantages the banks have, I do not think they could have competed successfully. But the banks have so many advantages over mortgage and finance companies that the advantage lies with them.

Mr. McLEAN (*Charlotte*): We have noticed in the last few years that trust company stocks have been going up and up because the trust companies have been able to obtain the business, and they must have been able to obtain the business because they could charge greater rates. For a short time I was a director of a company from which some church obtained a loan, and they were charged eight per cent.

Mr. LEBOE: I would like to go into the mechanics of this if you do not mind.

The first question I would like to ask about the proposed bank is what you anticipate will be the original amount of money that you will put into the Bank of Canada as a reserve.

Mr. COYNE: Of course we would be bound by the provisions of the Bank Act to a minimum. The reserve that one puts into the Bank of Canada under the Bank Act is eight per cent of one's deposits.

Mr. LEBOE: Presumably you have no deposits when you open your door. I would like to know if you know approximately what you intend to deposit with the Bank of Canada in the way of reserves when you open your doors to do business.

Mr. COYNE: I do not think there is any firm decision on that. I think the board of directors when they first meet will have to deal with questions of that nature. We cannot obtain our licence to operate, as I understand it, until the Minister of Finance has a certificate saying we have a certain amount of money with the Bank of Canada. I do not remember offhand what that amount is.