on Banking and Commerce for further consideration.

Hon. R. B. Horner: Honourable senators, I am sorry I have to disagree with other senators from western Canada. I must say I am very much opposed to the second reading of this bill. I am opposed to the establishment of additional banks. We are sufficiently served at present.

Honourable senators will remember that in 1953, when we gave a charter to the Mercantile Bank, I moved a six-months' hoist, as I was very much opposed to it.

Could someone explain to me, when those people got the charter for the Mercantile Bank, what they received for the mere charter? My point is this: the mere charter to do banking business in this country is worth millions, under our present system of banking.

Honourable senators, in Canada, and particularly in western Canada, largely because of the absolute failure of banks to supply capital when it was needed, we have had some additional problems. Capital was only available if you were wealthy; it was strictly on the basis of lending you an umbrella while the weather was fine and snatching it back immediately the rain commenced. There was too much of that kind of thing.

Now we have the credit unions. They originated their business and now are all over western Canada, though I believe their operations are larger in the eastern portion.

I look back at the many people who were left in dire circumstances, who had a mortgage or who owed a bank some money, where the head of the family died and the widow with her children was left destitute with a debt to pay, and she had to sell her home and we were taxed to help her and others like her.

I repeat, we now have credit unions. I do not know why the banks have not done business in the same way. The credit unions lend money, but the person borrowing the money is insured to the extent of the loan, and if that person dies and the debt matures, it is paid up and there is no obligation left for the widow and children to meet. Those credit unions are doing business and are growing and becoming very useful.

In addition there are trust companies springing up one after another, which are doing banking business. Some are paying as much as 6 per cent on deposits left with them for five years; others pay 4 per cent, with ordinary banking privileges. They are operating in every town.

Somebody has to pay for these flashy, theatre-like spreads that the banks are constructing. I do not understand why the lending of some money to a man in need, with interest added to his payments, requires such large showplaces with huge rotundas. To my mind, they should have nothing to do with the business of lending money.

Honourable senators, if I had invested my first few dollars in a bank I would be a millionaire today. It would have started me on my way to becoming a millionaire.

In addition to this proposal today, there are two more seeking banking charters. It is quite a game. Surely there is no just claim for more banks, because under the branch system banks are established at present all over the country. You cannot start an oil well, a mine or any other project anywhere, but immediately there is a bank there. Wheresoever the carcass is, thither will eagles foregather. Wherever there is a dollar today, the banks are to be found.

I think we should have something more useful to do than grant charters to people to make money, when we have no guarantee that they will not sell out to somebody else coming in. These charters are worth an immense amount of money. I am from western Canada, but I am opposed to this venture. I think I know something about business in western Canada, and I am familiar with the service we can get there without chartering an additional bank.

Hon. Thomas Vien: Honourable senators, I am sure we are all extremely grateful to the honourable Senator Leonard for his very able, comprehensive and clear presentation of the bill which is now before us. There is, however, a question arising at this juncture with regard to incorporations of new banks.

As was so aptly pointed out by the honourable senator, there are precedents and, since the creation of the Mercantile Bank, there might be additional reasons for the creation of other banks under the Bank Act. Nevertheless, several financial problems have arisen in Canada and important factors have to be considered with a view to stabilizing our national economy. This prompted the Government to appoint a Royal Commission on Banking and Finance, and the report of that commission is expected soon; in fact, it is overdue.

The decennial revision of the Bank Act is supposed to take place in 1964. It is likely that it will have to be postponed until the report of the royal commission shall have been received and considered by all concerned.

Whether or not at this juncture it is expedient to create a new bank is a question on which I have an open mind. I should like to have a little more time to consider it. If we were in the dying days of a session I would not ask for that privilege; but, at the opening of a session we should, in my humble opinion, take a little more time before granting a charter to a new bank.