example, Mr. Muir, then President of the Royal Bank of Canada, is quoted in the *Globe and Mail* of February 5, 1953 as saying:

> ...it would disturb the Canadian banking system if another were to come in with the proposition of starting branch banking with $1 million capital.

I understand he went on to say:

> You could not start a bank in Canada today with ten times a million dollars capital.

Again, Mr. H. L. Enman, then President of the Bank of Nova Scotia stated:

> It seemed wrong that a charter should be given "under horse and buggy rules" so that a bank with a capital of $1 million was allowed to buy into a system with resources of $10 billion.

Mr. Enman also questioned the wisdom of giving a charter to a bank the capital of which was held in a foreign country, and he was supported in this view by others appearing before this committee.

With this background, it was natural for us to feel that we must not only be willing to indicate our intention to raise substantial capital for the proposed bank, but also we should demonstrate that the money was available and that it could be raised in Canada from Canadians.

We were supported in this view by the Honourable Walter L. Gordon, Minister of Finance, who stated in the House of Commons on February 28, 1964, in reply to a question, that the Government was not opposed to further competition in the banking field, providing that any new bank is adequately financed and is supported by financially responsible people, and that provision is made for retaining control in Canada.

In that connection, I understand Mr. Gordon reiterated that statement recently in a speech in Vancouver.

There is precedent for the raising of funds on a trusteed basis prior to the incorporation of an institution such as a bank. In Ontario, it has become customary to raise funds prior to the incorporation of loan or trust cmpanies under the provisions of The Loan and Trust Corporations Act (Ontario). It is understood that those administering loan and trust corporations in the province of Ontario are unwilling to incorporate a new loan or trust company until funds have been raised, deposited with a trustee and the names of the proposed shareholders revealed.

Before such funds are raised, pre-incorporation offering circulars are filed under The Securities Act (Ontario) and it is generally felt that officials administering that act have indicated an unwillingness to accept a pre-incorporation offering circular if the certificates to be issued thereunder are non-transferable. They contend that a non-transferable certificate would result in individuals being locked-in to a trusteed arrangement for an indeterminate time while the charter application is pending.

In the past five years several loan and trust companies have been incorporated where pre-incorporation offerings were made and funds raised to be held in trust pending the chartering and licensing of the proposed institution. Such an arrangement existed or is pending, for example, with respect to The Metropolitan Trust Company, York Trust and Savings Corporation, District Trust Company, Kent Trust and Savings Corporation, Lincoln Trust and Savings Corporation and Hamilton Trust and Savings Corporation.

We proceeded therefore to have funds raised on a trusteed basis, to be held pending the granting of a charter for the incorporation of the Bank of Western Canada. We are pleased to tell you today that there are now some 6,000 Canadian residents holding trustee subscription certificates having a face