

Perhaps the people of British Columbia will receive something other than the alleged discriminatory treatment they receive from the banks now in operation. It may be difficult to prove that because the head offices of the banks are located in Montreal and Toronto the development of other parts of the country has suffered, but this fact does give rise to the suspicion that that may be the case. For that reason I am pleased to support the bill in its present form. The bill was examined with great care by the committee and I think hon. members can be assured that there are no points which were not subject to searching scrutiny.

Mr. Peters: Mr. Chairman, I have been interested in the stormy course the Bank of British Columbia has followed in its attempt to become incorporated. In view of the amendments that have been made to the original bill I have some sympathy for those in British Columbia who originated the concept of a provincial bank, because they now find they will have nothing more than just another bank. This bank will not serve the purposes that the government of the province of British Columbia originally had in mind. In fact, I do not believe it will serve any purpose that could not be served by banks now in existence.

It is interesting to note the change that has occurred in respect of clause 5 of the bill, which originally provided that the majority of the directors had to be normally resident in the province of British Columbia. I presume the reason behind that was the belief that greater sympathy would be given to requests for loans and assistance in floating bond issues for government projects if the directors of the board were also resident in the province. If there is any truth in that concept, then presumably the people of Ontario are very fortunate in that the majority of directors on the boards of existing banks live in the city of Toronto. This may have some effect because we in northern Ontario have always felt that Toronto has had a great advantage in the way of loans and assistance.

Another clause of this bill originally suggested that 25 per cent of the capitalization of this bank would be put up by the government of British Columbia and that government officials could be directors. I understand they can still be directors but cannot be executive officers. Having had some experience with bank directors I would suggest that executive officers would be more valuable to the government. Because of the amendments I presume

that the original purpose behind the establishment of a bank in British Columbia has failed so far as the government of that province is concerned. This is just another bank.

Mr. Byrne: It will not be socialized.

Mr. Peters: I was never really of the opinion that the Social Credit government intended to socialize this bank, but there is a similarity between controlling and owning it. Presumably the Social Credit philosophy is that a satisfactory situation would exist if the government could control this bank by putting money into it and having its officials appointed to the board of directors. That is a philosophical argument, but I do not think even the government of British Columbia would be prepared to admit that is the reason behind the establishment of this bank.

I know we are not allowed to refer to other bills passed by this house, but we should keep in mind that the Bank of Western Canada was recently established by an act of this parliament. We have all recently read the financial pages of our newspapers and have seen indications that this newly established bank is already in serious trouble because of the shaky position in which an outside company now finds itself. That company had a great part in the capitalization of this bank. I am sure everyone is aware of the difficult position in which many Canadian financial institutions find themselves because of the bankruptcy of the Atlantic Finance Corporation. Many established banking institutions are experiencing serious difficulties as a result of the losses which occurred following the bankruptcy of that corporation. We are also aware that the bankruptcy of another financial institution is likely to have a great impact on other financial institutions. While we all hope this is not so, it is an indication that the problem of our banking system is not the extension of the number of banks but rather some of the operations in which they engage.

● (5:20 p.m.)

In my opinion our banks have not been what we in Canada assume they should be, the rock of financial institutions, the exemplar of proper financial conduct, the conservatives of the financial world. Quite often this has its disadvantages for the Canadian public. I do not think we are going to gain anything for the people of British Columbia by this bank. I do not think they will gain anything which has not been provided for them by the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia, the Toronto-Dominion