B of the Bank Act, by adding clause 5, it has nevertheless the same effect as if it were in the precise form prescribed by the schedule.

I do not think it is necessary for me to go into the details of the financing of the bank in this motion for second reading of the bill. I think it may be sufficient to say that the group of corporate backers include the York Trust and Savings Corporation, the Wellington Financial Corporation Ltd., with head offices in Toronto, Canadian Finance and Investment Limited of Winnipeg, and Alberta Fidelity Trust Company of Alberta.

The Wellington Financial Corporation Ltd. recently issued and sold subscription certificates to the amount of a total subscription price of $3,750,000 for the purpose of ultimate investment in the shares of the Bank of Western Canada after it has been incorporated. I am informed that Canadian Finance and Investments Limited has signed an underwriting agreement for the sale of $3 million of its shares through investment dealers in the four western provinces, and part of the proceeds of the sale, namely $2,250,000, is proposed to be invested in shares of the Bank of Western Canada.

I understand that the Great-West Life Assurance Company, The Monarch Life Assurance Company and The Sovereign Life Assurance Co. of Canada, all having their head offices in Winnipeg, and The Empire Life Insurance Company, have indicated their intention to invest in the bank. Further information on such and other subscriptions can be obtained in committee.

I believe that Mr. Coyne and Mr. Stevens are both ready to appear before the Banking and Commerce Committee to give all the necessary information and to substantiate the statement I have made, that it is expected to have $12,750,000 of paid-up capital and reserve when it commences business.

Honourable senators, I have said all that probably needs to be said as to the principle of the bill, that is, the principle governing the incorporation of such a bank as this; but I think honourable senators would be interested in hearing some of the other safeguards the Bank Act sets up after the act of incorporation has been passed but before the bank can commence business.

Section 13 of the Bank Act requires that $500,000 of the original capital subscribed must be paid to the Minister of Finance, to be held by him until the bank is authorized to do business.

Other sections govern the sale of shares of the new bank, the calling of meetings of shareholders, and the election of directors to replace the provisional directors.

Finally, by section 14 of the Bank Act, a bank shall not commence business until it has obtained a certificate permitting it to do so from the Treasury Board. By section 16 of the Bank Act, the Treasury Board has one year within which to issue its certificate; and by section 17, if it does not do so, all the powers given by this bill cease and determine and are of no force and effect. Of course, once the bank does get a certificate to commence business, it comes under quite strict provisions of the Bank Act as to its operations, such as the maintenance of a cash reserve with the Bank of Canada, and inspections by the Inspector-General of Banks.

Honourable senators, in conclusion, may I say that we are proud of our Canadian banking system. Our present banks are strong and, in my view, they are performing ably and efficiently their important functions in our Canadian economic system. However, I do not think we have reached the stage where we should build a wall around the existing banks. Canada's growing and expanding economy would seem to make such a wall undesirable, and certainly the Bank Act does not contemplate such a wall. On the other hand, it does contemplate the incorporation of new banks.

Therefore, within the framework of the Bank Act and under its terms, and subject to its safeguards, to me there seems ample justification for approving second reading of this bill.

Hon. Mr. Reid: May I ask the honourable senator a question? Is it something new to introduce an amendment to the Bank Act in a private bill? It seems to me, as a layman, that by section 6 we are amending the Bank Act. That is what it says.

Hon. Mr. Leonard: Honourable senators, there may be other questions, but may I answer honourable Senator Reid right now.

Senator Reid is perfectly right as to the general rule but, as I said in my remarks, this is a provision of the schedule in the Bank Act, namely, that there be a section setting out the name of the new bank. In other words, the Bank Act itself says that we must amend the Bank Act by inserting in the schedule thereto the name of the new bank, and that insertion therefore brings it in under the Bank Act.

Hon. J. Campbell Haig: Honourable senators, I would like to endorse completely what honourable Senator Leonard has said in regard to the desire for a new bank in western Canada. I know many of those who have signed the application for incorporation. They are all very well known in Winnipeg, and I would heartily endorse what he said as to the need for a bank in western Canada.

I hope this bill will receive second reading and be referred to the Standing Committee