

*Canada Trust Company*

for the purpose of raising capital. In this battle between trust companies and banks, there has been a continuing friction with regard to the cashing of cheques; the competition has been very keen. Many trust companies refuse to cash cheques that are issued by banks, but more important some banks are refusing to cash cheques that have been issued by trust companies. This indicates the stress and strain of competition between these two major institutions. This is why I must say that I would have hoped the hon. member for Grenville-Carleton (Mr. Blair), rather than sponsoring these bills, would have impressed upon the Minister of Finance the necessity of bringing these financial institutions back to parliament for a review of their activities. This is the important feature. When it comes to the economic affairs of the country, it is the financial institutions that form the basis of the economic activity in Canada.

When I heard the impressive investment portfolio of this company set forth by the hon. member for Timiskaming, I realized that it is not only bank shares, but it is the shares they have in some of the other important companies in Canada. This capital that has been accumulated by the people of Canada and entrusted to these financial institutions forms the economic basis for the economic growth of Canada. I say therefore that we need a constant review of our financial institutions in Canada. I was hoping that the hon. member for Grenville-Carleton would really direct his remarks to the Minister of Finance and ask for the reconvening of the standing committee on finance, trade and economic affairs so that the officials of banks and trust companies could be brought before that committee again in order to review their activities in the light of the changes that were made in the Bank Act. It is possible that the trust companies may be in a worse position than the banks. I think the trust companies do perform a function in this society, and although I may not agree with it, I think it is very necessary. When one realizes that the banks are able to increase their credit by eight and a half times the amount of deposits they have on hand, it becomes apparent that the trust companies may now be in a worse position than the banks.

Having said that, I would point out that there was a very interesting debate in the committee with regard to the expansion of money. Our friends from the Ralliement Creditiste put forth a very impressive argument with regard to the many services of the

banks and the expansion of credit. We heard the members of the Ralliement Creditiste state that Canadian banks had expanded money eight and a half times, and this is not true of the trust companies. Again, this is partly the result of the restriction imposed on their credit. I say therefore that the trust companies should not be in any worse position than the banks. I think in the near future banks will be carrying out corporate duties and doing what the trust companies are doing now in regard to setting up trusts and financing various matters. They will be issuing debentures. In fact the banks were given authority to issue debentures for the purpose of increasing their financings. In all probability banks will be administering estates. So having criticized the banks for their preferred position in regard to expanding credit, I feel that in future banks and trust companies will be on an equal footing and that both will administer estates, carry out corporate duties and issue income certificates and debentures.

• (6:40 p.m.)

Having laid the groundwork for establishing equality between these two types of institution, it behooves me to say that there must be common regulations applying to both. Although I should like to support the bill that is being presented, which seeks permission for the development of this particular company, I am reluctant to do so because I feel a review of these financial institutions should be carried out.

In this regard perhaps I should relate a few experiences that I have had with trust companies. The Canada Trust Company, which has as its parent the Huron and Erie Mortgage Company, does a fair amount of mortgage financing. Many people in the area in which I live, which is Toronto, have approached the Huron and Erie and the Canada Trust for mortgages. Canada Trust is like every other trust company in that it is interested in increasing its profit. At the moment the prevailing rate on mortgages charged by Canada Trust, I would think, is between 9 and 9½ per cent.

I might also point out that this company has placed quite a few mortgages on church buildings. If a church has to pay an interest rate of 9 per cent on a mortgage, which might be as high as \$50,000, then this is an illustration of the financial burden that falls on church members who wish to build a new church.

But more important than this, Mr. Speaker, my concern is with the percentage of the