

early achievement, always with the safety and security of the shareholders and customers in the forefront of his and the management team's thinking and action.

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, I should like to say a few words about this private bill. The hon. member for St. Boniface (Mr. Guay) listed the people involved. I think this is a step which is very much in the interests of western Canada, where in the past we have suffered severely from lack of financial institution. Winnipeg was a sizeable finance and banking centre at one time but in the last 25 years the pattern of the country's economy changed and much of this business went to the east. I cannot help remembering in my own case about 20 years ago asking my bank manager for a loan of \$2,000. I went back to see him a month later and he told me he had to write to Winnipeg. Then I found that Winnipeg had to write to Montreal to find out if I could have the loan. It was obvious then that as the head offices of the bank were concentrated in the east, the banks were unaware of western needs. The incorporation of Northland Bank will go some way to rectifying this situation.

● (1710)

The proposal for incorporating the bank has been studied for a number of years, I understand, and the concept of the bank has undergone change. It is not to be mainly a Manitoba bank. It has graduated, so to speak, and will serve all three western provinces. This is good, as it is better for the prairie regions and western provinces to rely on each other. The credit union movement will participate in this bank and is to be congratulated. The credit unions represent the grass roots of our communities and their involvement in the formation of the new bank is extremely significant.

That is all I shall say, Mr. Speaker. I welcome the formation of the new bank. It will give western Canadians a western-based financial house and lessen the dominance of eastern-based financial houses. I think it will make our region of the country more stable and self-reliant.

**Mr. Doug Neil (Moose Jaw):** Mr. Speaker, I am pleased to have the opportunity to say a few words in support of the bill to incorporate Northland Bank, a new bank in western Canada. As the hon. member for St. Boniface (Mr. Guay) said when presenting the bill, the co-operatives and credit union societies of western Canada are behind this bank. Credit unions and co-operatives have long played a vital role in developing western Canada. In Saskatchewan, particularly, they operated during the depression years on the principle of lending a hand to their neighbours. They began with minimal capital. Over the years they grew rapidly, to become large institutions. Credit unions in particular have served areas not served by the ordinary chartered banks. Although initially credit unions were viewed with suspicion by the chartered banks, a good relationship has grown up between them and now it is not uncommon for a bank manager to refer a customer to a credit union for a loan to cover something for which the banks are not able to grant credit.

The flexibility of credit unions has been somewhat limited, and the rate at which the western Canadian economy increased in the past few years, make it necessary for the

### *Northland Bank*

credit unions to enter the banking field. It is fair to say that over the years a certain amount of criticism has been levelled at chartered banks operating in the west. Basically, they are eastern-oriented and tend to shift the savings of westerners to central Canada. It is said that this activity in the past limited the growth of the economy of western Canada. I do not suggest that that statement is necessarily true. But it can be said, I think, that when banks have their head offices in eastern Canada they are more apt to be in tune with the needs of the east than with those of the west.

The provisional directors and shareholders of Northland Bank are to be individuals and organizations who have had an extensive background involving the finances and economy of western Canada, particularly the prairie regions. I believe this new bank will become a valuable asset for western Canada in particular and for the whole of Canada in general, and I have no hesitation in lending this bill my support.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I speak for just a moment. We welcome the extent to which credit unions and co-operative societies and associations are to participate in this bank. Mind you, I also join the hon. member for St. Boniface (Mr. Guay) in welcoming the fact that the head office is to be in our city of Winnipeg. Perhaps some questions need to be asked, but they can be asked in committee. We are therefore happy to let the Bill C-1002 go to committee.

[*Translation*]

**Mr. C.-A. Gauthier (Roberval):** Mr. Speaker, I should like, first of all, to say a few words and congratulate the hon. member for Saint-Boniface (Mr. Guay) for having introduced this small bill: it may seem small but it may grow big.

I feel that a new bank in Manitoba can only be of advantage to the population of that province, all the more so because we are advised that the promoters of this bank are in the main co-operatives and associations.

To my mind, in accepting this bank, the government is taking one step towards freeing itself from the traditional chartered banks, something all Canadians also wish. One need only glance at the difficulties experienced by co-operatives, such as the caisses populaires, the credit unions out west, in trying to create the financial credit they need to operate, because of constant obstruction from chartered banks. I myself am a founding-member of a caisse populaire, and if we have managed to make some way in the world of finance only through agreements with the banks.

We can see here that the shareholders are big bankers. They form a special group. That is all very well and I congratulate the people in Manitoba. But when one realizes the importance of credit unions in the province of Quebec and that they have not succeeded yet, Mr. Speaker, in getting a bank charter—

**An hon. Member:** They never asked for one.

**Mr. Gauthier (Roberval):** I think that if credit unions had the same charter and the same powers as chartered banks, there would be stiff competition. We would have real shareholders, real owners of the bank. We often hear today: It is the people who own the bank. That is not true!