

are about to have, the Bank Act before us and amendments to it. I wonder if we are not putting the cart before the horse in considering this bill now even though it has already been before the House, when, in a very short while, we are going to consider the Bank Act and policies relating to banking generally. We are then going to know just exactly what the definite policy is with regard to banking and the proliferation of banking institutions in the country. I would like to know whether you believe that it might be better to have this bill considered after we have studied the amendments to the Bank Act and if there would not be some advantage to us as members of parliament to have the Bank Act before us before a decision is made on whether or not another banking institution should be established in their country.

Mr. COYNE: That is a matter we have considered. Our feeling on the point of principle was that we did not see any conflict or any reason why an application for a charter under the existing Bank Act should be held up until the new Bank Act is passed. You might also say that all the other banks are going to have their charters expire but in the meantime they are going on with their operations under the old act. We think we could be set up and get our operations started under the old act. No suggestion has been made anywhere about possible changes in the Bank Act causing us any embarrassment. This question came up in our inquiry in the Senate. That was two years ago and still there is no revision of the Bank Act. We do not feel we should have to wait much longer if we are going to have this bank at all, and it is really pretty hard on our shareholders to have to exist in this state of suspense.

By way of a precedent, the same question was raised at the time of the application for the Mercantile Bank Charter in 1953 and Mr. Graham Towers, amongst others, said he saw no point in waiting for that reason. He could not see why the charter should wait for a revision of the Bank Act, and if amendments were made, the bank would have to live with them, so the Mercantile Bank was given its charter in 1953. I would hope that this committee would be willing, in view of all the circumstances and the long time we have waited for this, to try and go ahead with it now.

Mr. COATES: While I appreciate your answer and the reason you gave, the thing that concerns me, and I am sure concerns other members sitting on this committee and members in the House—for it is the House which decides whether or not you should be allowed to set up your banking institution—is whether you think that this committee can be fully appreciative of all the aspects of what is to transpire when we do not know exactly what is going to be incorporated in the way of amendments to the Bank Act. We have heard mentioned here today on numerous occasions the Porter Report and the recommendations contained in it. We have heard a good deal of discussion about the 6 percent interest ceiling, but we are not in a position to know whether or not the government is going to propose these things be done or whether or not parliament in fact is going to approve the recommendations for amendments to the Bank Act when the Bank Act in fact is approved. In the light of this do you still feel that the committee should be considering this bill at the present time?

Mr. COYNE: If you ask for my opinion I would say yes, I do, because, for one thing, I have not heard any suggestion from any quarter that the Bank Act