

*Private Bills*

passed the other two acts concerning the Laurentide Bank which will operate in B.C., and the Bank of Western Canada?

**Mr. Peters:** Because they are not competitive.

**Mr. Slogan:** Obviously that is not an argument that holds any water. So far as the first part of the question is concerned, it seems to me that the Department of Insurance was not entirely satisfied with the manner in which the Bank of B.C. would be run.

**Mr. Orlikow:** That isn't true at all.

**Mr. Slogan:** Otherwise I am sure they would have granted the charter; but I think there was some fear on the part of the Government that there could be some provincial interference in the normal working of that bank, and this would not be desirable.

**Mr. Basford:** Would the hon. Member permit another question? I was wondering if the hon. Member had any confidence in Mr. Einar Gunderson, the chief fund raiser of Premier Bennett, running the Bank of B.C.

**Mr. Slogan:** I don't think that requires any comment.

• (5:40 p.m.)

[Translation]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, since I am one of the members of this house who are most in favour of extending private ownership to all Canadians without exception, and since I consider our country as a vast co-operative where all individuals have equal rights, it is logical that I should be highly interested in Bill No. C-99 providing for the establishment of a new commercial or chartered bank whose name would be the Bank of Western Canada.

This is the first opportunity I have of congratulating the sponsors of this banking project who wish to set up in Manitoba the head office of their bank which may eventually expand throughout Canada. That is a legitimate and natural ambition because, after all, as a great French thinker said: "Business is using other people's money."

The promoters of the Bank of Western Canada are quite aware of the unbelievable privileges of commercial banks of being able to multiply credit, as described very precisely by Mr. Marcel Faribault, one of the most prominent intellectuals, thinkers and financiers of French Canada, who is also president of the Canada General Trust, as re-

[Mr. Slogan.]

ported by *Le Devoir* on March 2 last, quoting the American economist, Mr. Samuelson:

Commercial banks are the only establishments able to create scrip money.

On February 17, 1965, the money supply outside the banks and on deposit in chartered banks amounted to \$18 billion, as follows: \$229 million in coins and \$1,849 million in notes of the Bank of Canada; one can easily see that there was nine times more scrip money in circulation than real money.

Those who believe, as I read once in a Quebec newspaper, that the Bank of Canada is issuing all the new credit, have but to check the balance-sheet of the Bank of Canada and they will find out that is not so, for, as a matter of fact, it is issuing very little credit.

On the other hand, I know that the idea is to hasten the passing of the Bank of Western Canada bill so as to increase banking competition. As a matter of fact, the Minister of Finance (Mr. Gordon) stated on February 16, as can be seen on page 11363 of *Hansard*:

—that the government would welcome more competition in the banking field and is hopeful that private members' bill proposing the incorporation of two new banks might be dealt with expeditiously?

That is a very good idea, Mr. Speaker. As for me, I am as anxious as the Minister of Finance to see this bill concerning the Bank of Western Canada passed by parliament. But I do not share his opinion when he wants to prevent a province from taking part in the foundation of a bank or acquiring shares in an existing bank. Logically the government cannot allow the setting up of the Bank of Western Canada and forbid the provinces to take measures in this direction. One must bear in mind that the Quebec government entertains hopes in this area since it is already a shareholder in a joint company called General Investment Corporation and that it will soon set up, besides, the Caisse des dépôts et placements which will become Quebec's most powerful bank, as it is the case in France with the Caisse des dépôts et consignations.

I am firmly convinced that, even if the government is about to pass Bill No. C-99, it will not be able from now on to prevent a province from setting up its own bank, and get away with it as it did with the proposed Bank of Alberta some 15 or 20 years ago.

I wonder why the federal government is so sensitive with regard to the provinces. It is a sign that it is afraid of the provinces.