

Northland Bank

decides to bring the bill in. But surely time would be saved if there were not 14-month delays.

Evidence adduced in committee disclosed that ten prairie-based co-operatives will combine their efforts to support the Northland Bank. It is no surprise to me, as a member from British Columbia, that those in what they call the west—although, of course, we do not really consider the prairies as part of the west—would consider that they need a bank to serve their area of commerce. In the west we have often had the feeling that the eastern bankers are not sufficiently concerned with the problems of western businessmen and favourable decisions are hard to come by. I think the eastern banks would do well to reassess their opinions. This is the second time in a few months that a proposal for a western-based bank has come before parliament. A bank in British Columbia was incorporated not too many years ago.

I would recommend that the Northland Bank group be sent on their way with best wishes. The committee study showed that it was a well prepared group and had thoroughly investigated the task ahead. Their head office will be in Winnipeg and they have stated their intention of establishing offices in Calgary, Edmonton, Regina and Winnipeg, so the business interests of the prairies will certainly be represented. It is their stated intention to serve business in the prairies with operating capital and term loans as necessary. These have been hard to come by in the prairies. I do not intend to repeat the list of their purposes here, but I think they are commendable and will provide a viable commercial and banking activity for businesses on the prairies.

If I had any concern about this bank it would be that the capital appears to be extremely low. Initially, the capital will be \$10 million, half of it being subscribed by the sponsors. I compared that with recent incorporations and found that the Canadian Commercial and Industrial Bank, for instance, had capital of some \$22 million although only half of it was called initially, as is usually the case. The Bank of British Columbia has done nicely with a branch bank operation with \$12.5 million capital. The figures compare with those of the six major banks which have equities of at least \$100 million; the Toronto Dominion Bank has equity of \$334 million. Of course, the larger banks carry a very great branch structure which is costly, as is the servicing of individual deposits.

It was not too difficult to be convinced that this group with the Northland Bank could service their intended type of operation with the capital they have produced. I am sure the skill and expertise of the officers and chief executives of this bank will serve it well. Mr. Speaker, I take great pleasure in giving the approval of this side of the House to Bill C-1002.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am happy to second this motion. I visualize the Northland Bank, in essence, as the first publicly-owned bank in this country. It will be in competition with the chartered banks. As we all know, a number of co-operatives will own about 50 per cent of the shares in the Northland Bank. The bill before parliament would also allow an amendment to the Bank Act which would enable provincial governments to purchase up to 10 per cent of the outstanding shares of one of the existing banks. There is a possibility that

Manitoba and Saskatchewan might be interested in going into partnership with the co-operatives and credit unions with a view to owning and controlling the first bank to be publicly directed by the people of this country. For that reason, I second the motion before the House.

The idea originated about four years ago when a number of people discussed the possibility of having the headquarters of a bank in the prairie provinces. As everybody in this House knows, the prairie economy has been growing very rapidly in the last few years through the development of oil in Alberta and the potash industry in Saskatchewan. The latter will be booming in terms of investment and revenue as world demand for fertilizer increases. As a result, I believe there is a place in the prairies for a Canadian bank.

The principal owners of the bank will be the credit unions and the co-operatives. The co-operatives are an indigenous part of the history of the prairie provinces. As well as the credit unions and retail co-operatives, we have the Farmers Union which markets over 70 per cent of the grain. The co-operatives have an impact on the lives of the people of the prairie provinces, particularly Saskatchewan, based on a philosophy of people working together rather than the old philosophy of private enterprise and the profit motive.

The group supporting this bank is made up primarily of different co-operative associations of the prairies. They are as follows: Federated Co-operatives Ltd., Co-operative Fire and Casualty Insurance Company, Co-operative Life Insurance Company, Co-operative Credit Society of Manitoba, Canadian Co-operative Implements Limited, Saskatchewan Co-operative Credit Society, Co-operative Trust Company of Canada, Co-operative Superannuation Society, and the Calgary Co-op Ltd. These groups committed themselves to put up approximately 50 per cent of the planned capital of \$10 million with which the bank will begin.

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Shortly after the October election which brought in a minority government, the western economic opportunities conference was held in western Canada. People attending the conference said that we need a western bank to be based in the prairies. Some governments actually talked of owning such a bank, or investing in chartered banks, as it was felt this would give them greater control of the banks. This, in turn, would be of benefit to the public and enable governments to invest in social programs which we felt were more important than mere money-making schemes. I understand that a bill is to be brought forward in this House which will permit provincial governments to invest in chartered banks. This will be a step in the right direction.

Let me voice a concern. I believe the private, chartered banks of this country are becoming too powerful. Their immense power and wealth enables them to make decisions which can run counter to decisions which parliamentarians, as representatives of the people, make or should make. The time has come for this country to consider the possibility of putting the entire banking and financial system of this country under public ownership. I exclude co-ops and credit unions which are already owned by the