

Senator SMITH (*Queens-Shelburne*): Surely, we can all read the newspapers?

Senator CROLL: That is immaterial. This is the general manager of a bank, and he has certain information.

Mr. PATON: I think I would not be remiss in saying that from the record of the evidence given it is indicated there is no share interest between the Royal Bank and Montreal Trust.

Senator McCUTCHEON: That is right.

Mr. PATON: Similarly with the Bank of Montreal and the Royal Trust.

Senator BENIDICKON: Would you repeat that?

Mr. PATON: There is no share interest. The Royal Bank does not own shares of the Montreal Trust. The Bank of Montreal does not own shares of the Royal Trust.

Senator BENIDICKSON: This is a surprise to the public. I was very interested to hear this. This is a surprise, I think, to public knowledge.

Mr. PATON: This was given in evidence before the Porter Commission, senator. These relationships are on the record.

Senator LANG: I presume that interlocking directorates do exist as between the two institutions you mentioned?

The CHAIRMAN: I think the phrase that the witness preferred was "common directors".

Senator CROLL: How common can a director get?

The CHAIRMAN: It depends upon the derivation of the word. How interlocking can you get?

Senator ROEBUCK: I have no special knowledge, but I do know that the rumour is—I do not think I could call it any more than just a rumour—that some banks own some trust companies. You have mentioned one to which that does not apply, but we should have that information. I would like it specifically. I do not like things left in an indefinite way like this.

Senator McCUTCHEON: What difference does it make? You are either going to say they cannot control them and they have to get down to the 10 per cent, or you are not. Why should you tell the whole world that somebody is going to have to put a lot of shares on the market some day.

Senator POWER: Why not. Why should the control be in the hands of a small number of people? We are creating a financial aristocracy in this country.

Senator BENIDICKSON: That sums up the feeling of most parliamentarians.

Senator FLYNN: That is right, but we should not forget that the witness has said he does not know. I object to any hearsay testimony on this point, even though I am in agreement with those who see something very sinister in all this.

The CHAIRMAN: That is right. Are there any other questions of this witness?

Senator ROEBUCK: He could obtain the information very easily, if he wanted to.

Senator FLYNN: We may call the general managers of all the banks and have them tell us if they own shares of trust companies. But we cannot force the witness to say things he knows only through hearsay.

Senator CROLL: Mr. Chairman, may I say, now that Senator Flynn has said that this gentleman speaks from hearsay—

Senator FLYNN: That is what he said. I did not say that.

Senator CROLL: He comes here as the representative of the Bankers' Association.

Senator FLYNN: So he may.

Senator CROLL: That is the capacity in which he speaks at the moment. In that capacity he must have knowledge of what relationships there are between these various banks and other groups.

Senator FLYNN: He said that he did not.