However, there is a question I should like to put to the minister. Presuming that this bill passes, will it indeed bring the results that we seek? I wonder about the drafting of the bill. It would seem that in order to make this clause function in relation to the 25 per cent ownership, the bank would be the only one entitled to sell shares. Suppose at a certain time 24 per cent of the shareholders are non-resident, leaving a 1 per cent gap. Suppose, then, shares are sold on the market and, as in many cases, hundreds of thousands of shares are transferred to foreigners. The question then arises, whose shares are going to qualify for transfer? If ten people buy at the same hour on the same day, and after the shares have been transferred from non-resident to resident we find ourselves with 30 per cent foreign ownership, someone has to say that 5 per cent of those sales are not going to qualify for transfer.

The question then arises, who tells the people who are buying the shares? Do they know that they are taking a gamble? In other words, if this is to be done at all there would have to be a provision that the shares cannot be sold through the stock market but must be sold directly through the bank. This is the only way you can control the situation. Let us suppose this problem is solved, and I will put another question to the minister. If I read this bill correctly, there is nothing invalid about transferring more than 25 per cent of the shares. The only provision is that they will not be transferred in the books of the bank. Would it not be in line with the new law for anyone from the United States or Europe to buy 90 per cent of the shares of a bank? The first 25 per cent of the stock is registered but the remaining 65 per cent is not transferred, so that stock has no voting privileges. In other words, with the 25 per cent he owns he has all the voting privileges. How is this going to accomplish the purpose of the bill before us?

A further question comes to mind. The bill does state that in the event more than 25 per cent of the shares are sold or more than 10 per cent in so far as an individual is concerned, business conducted after that time is voidable. Does this mean all the loans made in that period of time are not valid? All these questions arise as a result of the provisions of this bill.

I say in conclusion, then, that there is nothing wrong with the Mercantile Bank coming into Canada and doing a good job of banking. I will say to this house that, having had some experience with United States bankers I find them much more in tune with the new requirements of banking. They are willing to take risks. In addition to that, they are willing to advise customers. They sit in and discuss customers' problems. Our banks will not do that. They say: We do not want your problems, we just want the money. I cannot see how this bill or any other bill at the moment is going to bring more competition into our banking system or make the banks more efficient. I will say this, that the introduction of a good, strong bank will set our banks on edge. Our banks will have to pull up their britches and do a good job of banking or they are going to be out in the cold. It is not our concern to protect the bankers. We need the tools; we need the money for our industrial potential.

What I should like to see is a concentration of our efforts to induce Canadians to buy shares and get dividends. Then these dividends could be reinvested so that we could see Canada grow in the way she should.

Mr. Lewis: Mr. Chairman, the decennial revision of the Bank Act gave the minister and this parliament an opportunity to revamp the law and to bring the banking machinery in Canada a little more up to date. It is my submission, Mr. Chairman, that the minister failed completely to do this in the bill which he presented to parliament, to the banking committee, and which is now before us. The bill makes a few useful improvements, as I shall indicate later. However, I suggest that it completely lacks imagination and is characteristically timid in its major aspects.

It seems to me there are four major areas in banking policy with which we have to be concerned. There are others, but I suggest these four are our primary concern. One is the level of the money supply at any time, and another is the level of the general interest rate at any time. The third is the level of interest rates for various classes of borrowers. The fourth, and in a sense the most important element, is the availability of capital to serve social purposes and national goals.

Now, Mr. Chairman, I think it can be said without having to be an authority on banking that the first two objectives, namely the level of money supply and the level of the general interest rate can be controlled through the central bank, and on the whole is regulated by the central bank; whether or not one agrees with the particular step it may take, it has that power.