

wish to be witnesses, now is the time to come forward, or forever hold your peace. I think we can assume there are no other witnesses, and we can proceed.

Senator McCUTCHEON: Unless we choose to call some witnesses.

The CHAIRMAN: Yes. Now, Senator Leonard, you mentioned clause 18.

Senator LEONARD: Yes. I think probably honourable senators heard me on section 18 today, as well as Senator McCutcheon and Senator Hayden, and have also listened with interest, as always, to the minister. I myself respect sincerely the views he holds, which happen to be different from my own, on the desirability or the principle of the section so far as it relates to the common directors of banks and trust companies. However, I am not going to pursue that aspect any further.

There is also the question of retroactivity and the time when the sections will come into effect. If one accepts the position the minister takes, then one would have to go along with the idea that no further appointment would be made of this character.

Then there is also the question of the existing situation and whether or not the present directors should have at least a further length of time, and the companies, the banks on whose boards they serve, a further length of time in which to make the adjustment.

As the minister himself said, you can see that there will be considerable disruption. Looking at it purely from the standpoint of the industry, the loan company and the trust company industry, and possibly the banking industry also, I do not think it is desirable. Therefore, my amendment is directed towards extending the time within which this clause must come into effect.

As I understand it, the time is two years from the time when the interest ceiling comes off. It must be pretty well agreed that that is likely to be December 31, 1967. That would mean, if the interest ceiling comes off then, that these changes would have to be made by December 31, 1969.

I understand that was in the bill as originally introduced and a great deal of time has gone by since then.

Also, in the bill as originally introduced, the interest rate was much higher, and it might have been that it looked as if it would be a considerable time before the interest ceiling came off. Therefore, these elements, quite apart from that idea, would seem to justify some extension of time limit, more consistent with the time when the bill was first introduced.

Therefore, my amendment suggests a change, from two years from the time when the interest ceiling is dropped, which would be December 1969, if we are correct in our assumption as to the trend of the ceiling in interest rates, to a fixed day—which I suggest should be the first of July 1971.

I realize that, if interest rates did happen to be up, and if the ceiling did not come off until some later date, then the time would automatically have been extended in that way.

It seems to me, in the light of circumstances as they are now, it is desirable to set a fixed time rather than to rely on this rather uncertain time, namely, two years from the time the ceiling is removed.

Senator McCUTCHEON: Why not make it five years? I would say December 31, 1972.

Senator LEONARD: I would be very happy to change my thinking.

The CHAIRMAN: Where were you proposing to put it, senator?

Senator LEONARD: I am on page 14, section 18, to strike out the lines 38 to 40 inclusive, and substitute therefor the following: But this subsection shall not come into operation until the 31st day of December 1972.

That date happens to be the same date as that of the extension of time for the Mercantile Bank.