

therefore, by default, the control falls back on the management itself. The employee becomes the owner, and that is ridiculous.

Mr. LAFLAMME: Do you say that the shareholders do not control at all?

Mr. POPE: I do, sir. They do not exercise their control in the case of these three banks.

Mr. LAFLAMME: But do you not think that a clause which would limit the possibility of controlling any bank is not a good one, in those circumstances?

Mr. POPE: I am trying to keep my thoughts straight. In the case of the three banks, nobody controls them at all, to my knowledge. The shareholders do not exercise their control.

In the case of the three smallest banks one group controls practically all the shares. That is the situation today.

I may be missing your point, sir. In the case of the three largest banks nobody controls them. In effect, the only control is exercised by the management from the general manager down.

Mr. LAFLAMME: That is all, Mr. Chairman.

Mr. McLEAN (*Charlotte*): Mr. Pope, you seem to be disturbed that management has control of the banks. I think it is a good thing that it has control. I do not know why you take—

Mr. POPE: There is a certain amount of inbreeding going on.

Mr. McCLEAN (*Charlotte*): You say that this 10 per cent should be raised to perhaps 25 per cent, or something like that, for the individual owner. The large banks have millions of shares. If a bank is worth \$6 billion and a man owns 25 per cent of the shares, he has the actual control of that bank. If you get 25 per cent control of a large company you can actually direct it and control it.

Mr. POPE: That is right, sir.

Mr. McLEAN (*Charlotte*): I think the 10 per cent is a good thing. We do not want anybody controlling \$6, \$8, \$10 or \$15 billion. We want that in the hands of the management. Management is responsible to the stockholders and when they present a good balance sheet the stockholders are quite happy with their continuing on and paying normal dividends, and so on.

I do not see that taking it out of the hands of management would help things. I think it would hurt things.

Many large American companies are controlled by an individual who has 25 per cent of the ownership.

Mr. POPE: Quite.

Mr. McLEAN (*Charlotte*): Then a man, or a group of people, who has 25 per cent of the shares in one bank would control \$6 or \$7 billion. I do not think that is a good thing. I do not see how you can think it is a good thing.

Mr. POPE: You do not think it is a good thing for one man to control so much?

Mr. McLEAN (*Charlotte*): No; I do not think any group should control that much.