

Hon. Mr. SHARP: That situation does not promote competition between the Canada Permanent Trust Company and the other banks.

Senator SMITH (*Queens-Shelburne*): Even if the four banks are represented on the board?

Hon. Mr. SHARP: Yes, because that may indicate that not only is there not active competition between the Royal Bank and the Canada Permanent Trust Company, which are related because of shareownership, but that there might be less competition than otherwise between that trust company and banks generally and among the banks themselves.

Senator LEONARD: My statement this morning, Mr. Minister, was that that was a theoretical position, but that in practice there was intense competition.

Hon. Mr. SHARP: Well, I cannot deny that, Senator Leonard. All I suggest is that there must be times, then, when there is some conflict of interest.

Senator LEONARD: And those are separate. I mean a director who finds himself in that position discloses it, and the decision is made.

Senator BENIDICKSON: Surely herein, Mr. Chairman, we have to consider that those in banking comprise a relatively small number corporately—eight or 10. We know that most trades have some sort of association or union. We also know that our prime concern is the public. If you have a small organization of eight or 10 banks, and they have an association which presumably meets for common purposes, there might be a possibility of something happening that would come under the Combines Act. Is that not what you, Mr. Minister, have in mind in making the widest possible competition open now under this legislation, in the loaning, depository and other fields?

Senator McCUTCHEON: I do not think these fellows should belong to the same golf club.

The CHAIRMAN: I do not think so either, or even that they should go to the same church.

Senator McCUTCHEON: It is ridiculous.

Senator LANG: Mr. Chairman, in the Senate this morning and earlier in this committee this afternoon, there were expressions of concern with regard to the length of time that would be permitted to elapse until the severance of common directorship took place, in view of the fact that it would occur when the bank ceiling became free and that that might be rather shorter than was originally contemplated, and, because of that fact, would create an undue hardship.

There was also concern that this severance of common directorship did not tie in with the time fixed under the act when the banks would have to divest themselves of their excess trust company holdings. I was wondering if, under the circumstances as they exist today, the minister would care to comment on this facet of the bill?

Hon. Mr. SHARP: Mr. Chairman, one of the reasons why there is greater time given for the disposal of shares than for the change of directors is that it is easier to change directors than it is to dispose of shares.

Senator LANG: You assume it is going to be that way, do you, Mr. Minister?

Hon. Mr. SHARP: Well, I know of so many people who would love to be asked to go on the boards of these companies. I do not think there will be any absence of candidates. I can understand the position of those who will find themselves supplanted or removed. However, I do agree that so far as the shares are concerned there should be reasonable time, because there is nothing to be gained by having to dispose of those shares too quickly on the market. That is why in the legislation more time is given for this purpose.

The CHAIRMAN: It appears to me at least that the committee has covered everything there might be in this particular aspect of the bill. Unless any senator has anything further to say on this particular aspect, then, we can move on to another part that was subject to particular interest, namely clause 75(2)(g).