

HOUSE OF COMMONS

Tuesday, January 17, 1967

The house met at 2.30 p.m.

FINANCE

BANK OF WESTERN CANADA—SUSPENSION OF SHARE LIMITATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Minister of National Revenue whether it is a fact that the Treasury Board ruled in favour of suspending the 10 per cent limit on the amount of bank shares which may be held under one ownership as far as the Bank of Western Canada is concerned. Are the directors of this company Sinclair Stevens, Coyne and others? What is the reason behind this unilateral concession, and under what authority was the ruling made to suspend the provision until July 1, 1967?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Since this is a very involved question, I should like to take it as notice.

Mr. Diefenbaker: The minister will take it as notice. Will he take a further question as notice and tell us what is the proportion of shares presently owned by British International Finance of Toronto. Is the *Globe and Mail* correct in its assumption that this company, having given certain undertakings at the time of its incorporation, now will have in excess of 50 per cent of the shares of a bank which was supposed to be one with the interests of western Canada at heart?

Mr. Benson: Mr. Speaker, I would also like to take this question as notice but I want to say I am not responsible for what the *Globe and Mail* says.

Mr. Diefenbaker: That sentence should end with the word "responsible".

MEETING IN BRITAIN OF FINANCE MINISTERS RESPECTING INTEREST RATES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to direct a question

to the Minister of Finance concerning a meeting which is to be held next week end in London at the invitation of Prime Minister Wilson, at which the United States, Germany, Italy and France will confer with the British government regarding escalation of interest rates and explore ways and means of achieving a rational and timely easing of monetary conditions.

In view of Canada's great interest in this connection and the repercussions which the meeting may have upon the Canadian economy, is Canada to be represented at this conference and has she been invited?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, as reported from Washington yesterday, the finance ministers of the United States, Britain, Germany, France and Italy have been invited by the British government to meet in Britain next week end to discuss, among other things, the level of interest rates in the United States and Europe. In Europe and North America interest rates have risen to very high levels in recent years, reflecting the heavy dependence placed by these countries on the use of monetary policy to restrain inflationary pressures. I am happy that in recent weeks there has been some decline in interest rates.

The meeting is at the initiative of the British Chancellor of the Exchequer, who has presumably invited those countries whose domestic interest rates have the greatest international influence. The Chancellor of the Exchequer, Mr. Callaghan, sent a personal note to me so there would be no misunderstanding about the purpose of the meeting. The Secretary of the Treasury of the United States telephoned me to advise me along the same lines. It is desirable that countries should co-operate closely to harmonize their economic policies, and we in Canada will naturally keep in close touch with these developments.

Mr. Douglas: As a supplementary question, in view of the effect this will have on the Canadian economy may I ask the minister will Canada at least have an observer at the conference, or is any machinery set up by which we will be kept fully informed as to any decisions which may arise from the conference?