

Senator LEONARD: The amendments that have been made since the bill was reprinted after coming out of the house, including the amendments made yesterday. In other words, I do not think the Bankers' Association have had an opportunity of saying anything about the amendments made since the report of the committee.

Mr. PATON: That is correct. Nor did we have an opportunity to comment on the amendments made by the committee in the other place, because we had completed our evidence prior to their clause-by-clause consideration of the bill.

Senator LEONARD: This is the opportunity for you to make any comments you like.

Mr. PATON: Thank you. I would say on behalf of the association that we are well pleased with the bill as it has come out of the committee. We feel it is a bill that will give us considerably more flexibility in performing the functions we think we are specially cut out for. There are some items in which we would have preferred to see changes, and we made our representations. In some instances we were met half way, and in others we were unsuccessful. I think, in general, it is a good bill.

In regard to some of the specific amendments that have come in, the one you referred to this morning, 75 (2) (g) on the Mercantile, this is not an item on which we spoke as an association. Each individual bank expressed its own opinion with respect to the adequacy or otherwise of this legislation, and I would not be in a position to express an opinion on that particular item.

Senator BENEDICKSON: I should be more familiar with the long testimony in the other committee, but what briefly is the evidence, if any, emerging from the other committee with respect to connections with an ownership of trust companies and other depository organizations of the chartered banks?

Mr. PATON: That particular subclause of clause 76 carried through from the original bill C-222 and, in effect, it limits the investment—

Senator BENEDICKSON: No, that is not what I asked. What is the record as to present affiliations and ownership of the relatively few chartered banks with respect to other depository institutions.

Mr. PATON: When you refer to the record, what do you mean?

Senator BENEDICKSON: You have listened to the evidence in the other committee. What evidence has been given about the ownership, affiliation or control by the chartered banks for which you speak today.

Mr. PATON: There was no specific evidence given as to the direct relationship between any chartered bank and any trust company.

Senator BENEDICKSON: Have you any information to give to this committee about it?

Mr. PATON: No, I have not. As a matter of fact, it was suggested that perhaps the Bankers' Association would prepare this for the other committee, and it was indicated the suggestion would not be in the best interests of the companies concerned, because the legislation implied a need to divest oneself of surplus shares.

Senator BENEDICKSON: That is an important part of this legislation, but I wondered to what extent certain existing situations would have to be changed.

Mr. PATON: I should perhaps say, senator, that the relationship of certain banks with certain affiliates, other than trust companies, was disclosed at the hearings. The President of the Royal Bank presented a brief in connection with a subsidiary, and reference was made to shareholdings, and it is on the public record. That is the only one in which there was a specific reference made.

Senator CROLL: But are you not, as a general manager of an important bank, aware of the relationship that the senator has reference to, banks affiliated with certain trust companies—the Royal Bank with certain ones, and others with others?

Mr. PATON: Solely by hearsay.

Senator CROLL: Then let us have the hearsay.