

ests immediately after the war. It was then sold, first of all partly to the National Citibank and then wholly to the National Citibank. The result was the introduction of a grandfather clause which reduced the shares that Citibank owns in the Mercantile Bank to 25 per cent because its capitalization is otherwise artificially held down.

Considering that the shares in Canadian banks are so widely dispersed, I do not honestly think there can be a particular concentration of power in any one person holding 10 per cent in total, in so far as outside interests are concerned, of 25 per cent. This causes some difficulties in a limited sense, in that the bank might not register the shares in excess of these amounts and the person owning the shares unfortunately has them taken away. It is not that just one or two apples in the barrel are bad; the whole barrel is deemed to be bad. In other words, if I own 10.2 per cent of the shares in a bank, I cannot vote my entire 10.2 per cent. The bank cannot register the .2 per cent and I am unable to exercise my 10 per cent, so the strictures placed on the situation by the hon. member for Broadview-Greenwood (Mr. Rae) have no application. They are straw men that he has erected so that he may tilt at them.

I am quite satisfied with the present situation, Mr. Speaker, and I would therefore ask the House to vote against these two amendments.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, I should like to point out to the House what the hon. member for Broadview-Greenwood (Mr. Rae) would have us do. With respect to clause 110(1)(a) and (b), he would insist that the number of shares in a bank held by non-residents should at no time exceed five per cent. I suspect that large corporations generally have a difficult time determining the place of residence of every one of their shareholders. This is particularly so in the case of large chartered banks. To reduce the limit to five per cent so that they can certify at all times that no more than five per cent of shareholders are non-resident would put such a burden on the officers and transfer agents of the banks that the whole thing would be totally unrealistic.

Just recently the Minister of Energy, Mines and Resources (Mr. Lalonde) announced that he would award specific and high grants to companies with more than 75 per cent Canadian ownership. This is the same type of clause here, Mr. Speaker. But at no time did the Minister of Energy, Mines and Resources suggest that a company had to be composed 100 per cent of Canadian resident shareholders.

Shareholders could be Canadian citizens who for reasons of retirement or whatever, leave this cold climate to live in the south. Would the hon. member for Broadview-Greenwood suggest that they should lose their shares because they retire and because their shares happen to put the bank over the five per cent provision? The hon. member does not know what it is about or how the system works, Mr. Speaker. Neither does the New Democratic Party. That is why they propose this amendment which does not make any business sense.

The second amendment, which also applies to page 98, Mr. Speaker, proposes to reduce the number of shares that

individuals or an association of individuals could hold, from 10 per cent to 2 per cent. The minister already has a problem with the Montreal and District Savings Bank and he has filed motions No. 17 and others to deal with this. In that situation, people, in association, came to control up to 43 per cent of a bank and the minister has introduced a provision whereby they will be forced to divest.

It would be very easy for someone to gain more than 2 per cent of the shares in a bank or for an association of people by inadvertence to gain more than 2 per cent. Surely the limitation of 10 per cent is more than enough to make sure that the shareholdings of our banks are broadly distributed. It is true, of course, that holding a large number of bank shares might lead to an opportunity to be elected to the board of that bank.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Ethier):** Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty)—Freedom of Information—Directives to ministers; the hon. member for Vancouver South (Mr. Fraser)—Water Resources—Skagit River Valley—Reference by B.C. government of U.S. proposal to flood to International Joint Commission; and the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—The Constitution—Inquiry whether letter received from National Indian Brotherhood requesting discussions.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills and public bills.

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## PRIVATE MEMBERS' MOTIONS FOR PAPERS

[English]

**The Acting Speaker (Mr. Ethier):** Notice of motion No. 1, the hon. member for Leeds-Grenville (Mr. Cossitt). Shall the item stand? Stand by unanimous consent.

**Some hon. Members:** Stand.