

Senator Walker: How far do you want to extend your claim to that name? You have not, in your wisdom, seen fit to use that name in Canada and yet you have done a great deal of business in Canada, and there has not been any great confusion, apparently. Now why should you, when you are not in Canada, and have no bank with that name in Canada, try to prevent somebody from using it here for the first time? Will you answer that question specifically?

Mr. Felkai: Well, senator, we cannot carry on banking business in Canada by virtue of the Bank Act, section 157, so it is correct to say that we do not have an office which is a bank. The banking business we have referred to with Canadian customers is done in the United States and not in Canada. But our submission is that the banking business cannot be just an isolated national business. By definition it has to be international. So, in a sense, we are pointing out that in the public interest our bank is known very well throughout the world, except in Canada, possibly, but throughout the financial community as the "Continental Bank". Therefore there would be confusion in the international financial community and I think that this committee can take that into consideration. That is one of my submissions.

The other is that banks do tend to go into international banking business and I suspect that the new bank will become well-known in the international community. It was pointed out that the words "of Canada" may well be dropped, and that it would be known simply as "Continental Bank" and that could lead to confusion. It could be thought to be a subsidiary of the American bank.

Senator Walker: Would you like it better if it were called "Canadian Continental Bank"?

Mr. Felkai: I would submit that the danger of confusion is still very great. I think the close association of "Continental Bank", the two words side by side, is what leads to the confusion, and I would submit that "Canadian Continental Bank" would still lead to confusion.

Senator Walker: It would be a great improvement, would it not? How could there be confusion?

Mr. O'Boyle: I would like to comment on that, senator. This is related to a statement made earlier about the possibility of regarding that as a subsidiary or affiliate of the Continental Illinois Bank. We do have a 20 per cent interest in Sovereign Mortgage, and IAC which is going to become "Continental Bank" will have similar holdings until they do something about it. This is a mortgage insurance business. So it is possible—at least in the public mind, if not to sophisticated people who look at the distinctions—that there could easily be a mistake. I would also direct your attention to the fact that size is a factor. We are the seventh largest bank in the United States in total assets.

Senator Walker: What are your total assets?

Mr. O'Boyle: Just under \$20 billion as of September 30. We are the largest inland bank in the United States, and we are the largest in the international field of any inland bank in the United States. Largely because of our size and some of the relations we carry on in Canada from Chicago—and, although evidence of most of these things is confidential, it is a matter of public knowledge, as printed in annual reports of financial companies where they list the bank lines—there is evidence of the business we are doing from Chicago with companies in Canada. There are quite a few other major companies in Canada that we

transact business with from Chicago. We also have very substantial relationships with all the chartered banks and certainly the five largest and the two French banks, and we have very substantial foreign exchange dealings on a daily basis with them.

Senator Walker: But I would think the ordinary depositor who has never heard of your bank in Canada, because, of course, it is not here with a name like "Continental", would not be deceived in any way at all. The more sophisticated people are not going to be taken in by two names that are somewhat similar. I cannot understand why, because you are a powerful bank in the United States, you have to spread your tentacles up here and say, "No, no, nobody else can have this name in Canada." Where can the confusion be? For the ordinary depositor there is no confusion at all. And the more sophisticated person will know the difference.

The Chairman: Or perhaps he will inquire.

Senator Lang: What possible confusion there is, might arise in the mechanism of banking both nationally and internationally where a relatively unsophisticated bank clearance girl is clearing papers between banks

The Chairman: Of course, that is always a possibility. People dealing with it may not be alert enough; confusion may develop in that sense. I am trying to assess the situation.

Senator Lang: Could the witness answer my question?

The Chairman: The pride of name is understandable.

Senator Lang: Mr. Chairman, could the witness answer my question. I asked a question of the witness but I have not had an answer.

The Chairman: Go ahead.

Mr. O'Boyle: We have had that experience in other places in the world where there are banks with a similar name. We currently have some litigation in Switzerland where there is a continental trade bank which operates as the Continental Bank. Beyond that, there have been instances of mixed up Telex messages, correspondence and remittances. This has resulted in delays and inconvenience to our customers and to the customers of other banks. It certainly is an important factor. We work very hard to educate our clerical personnel to a degree of sophistication, but with the turnover involved it is very difficult. I can visualize that there would be a great deal of such type of confusion and misdirection on the part of clerical personnel in the various financial institutions, including the investment banker.

Senator Desruisseaux: In the United States, how many banks are operating under the name "Continental?"

Mr. O'Boyle: There are twelve other banks that we know of that have the name "Continental." There are three that are national banks. All of them are relatively small. The largest of the banks is in Norristown, Pennsylvania, which has capital and surplus of approximately \$44 billion. The next largest bank is in Fort Worth, Texas, which has capital and surplus of \$14 million. The third largest is in Salt Lake City, Utah, which has capital and surplus of approximately \$7 million.

Those banks are not really engaged to any large degree in international banking, but even with that we do have