

Bank Act

on in cabinet, then I as a backbencher can only look upon this with a certain amount of disbelief at their willingness to destroy themselves.

That there should be controversy in the cabinet over an issue such as our banking law should surely surprise no one. I do not know whether such controversy does exist, but I do know that it beclouds the issue, which is that the banking committee in an objective spirit, representing the best brains of all parties—myself excluded—brought forward a bill consisting of polished amendments which were accepted unanimously, which I hope will be debated in this chamber from here on in with that same spirit of objectivity which prevailed in the committee, and to which reference has been made by members of all parties today.

Mr. MacInnis (Cape Breton South): Would the hon. member permit a question now, while he is reaching for his glass of water?

Mr. Mackasey: When I am through. I mentioned earlier—and I jump straight to this so I have time to answer the question—that I should like to make some reference to the evidence before the committee. As reported at page 2942 of the Minutes of Proceedings and Evidence No. 42 the Minister of Finance, in answer to a question, said:

If the National City Bank had definite plans for reducing its holdings in the Mercantile Bank to 25 per cent I believe it would be in the Canadian interest to facilitate those plans.

That was the philosophy behind permitting this five year period, to come to the restrictive clause 75(2)(g).

Further on the minister re-emphasizes the fact that loopholes in the bill must be plugged. He referred to an amendment that he intended to introduce, and which he did introduce and which members of the banking committee accepted. As reported at page 2956 he said:

Such an amendment would not prevent the shares being sold to residents of Canada. It would prevent them being sold to residents of the United States, including the present owner of all the shares. However, the decision on whether to permit an increase in capital per se remains within the discretion of the governor in council.

To save time, Mr. Chairman, on several occasions during the committee hearings the minister emphasized the following points. If a bank—any bank, including the Mercantile Bank—were to appeal to the governor in council for permission to increase authorized share capital, those shares would be made available to Canadians only whenever at least

25 per cent of the shares of that particular bank were owned outside this country or more than 25 per cent of the shares remained in the hands of any individual. The minister repeated that on half a dozen occasions.

• (10:10 p.m.)

What bothers me, and I say this directly to the minister, is that I am not certain in reading the bill that the governor in council necessarily has that right. I suggest to the minister, and this might be implemented on the appropriate clause and I am not sure which clause it is, that we ensure that whenever a bank receives permission to increase its share capital, no individual, as defined in the act, be permitted to add to his shares so long as he or his group owns more than 10 per cent of a bank. I am not talking of a specific bank; I am talking of any bank; and more than one bank is in that particular situation. This would guarantee the carrying out of the minister's intention, as he has stated it on several occasions in the committee.

I say these words in a spirit of co-operation. I have pointed out what I believe is the only flaw in the act. I bring it forward for one reason only, because the minister has spoken about this matter half a dozen times in committee. I am not the type of person who likes to play dirty pool, but I would not want to be party to the changing of any act, as it affects the Mercantile Bank or anybody else, once those people have accepted the principle of pro-Canadianism as outlined in this measure. I shall say now, notwithstanding that I am in the house—I would say it were I not in the house—that if the government tries to reduce the five-year period granted to the Mercantile Bank for the application of clause 72(2)(g) I would vote against such amendment, if the minister were to bring it in.

Mr. MacInnis (Cape Breton South): May I ask a question?

Mr. Mackasey: One moment, please. I shall put on my hearing aid.

Mr. MacInnis (Cape Breton South): I shall make myself heard. I wanted to ask the hon. member, when he was dealing with the point, since he is making a poor job of excusing the controversy—

Mr. Mackasey: On a point of order. If the hon. member wishes to ask a question for information I shall accept it. If he wants to use the opportunity to get his version of things in, and to colour the question, then I do not intend to cede him the floor.