

Mr. STEVENS: We certainly could not anticipate having any drastic effect, such as that figure suddenly falling to 60 per cent; but I think what we can suggest is that the incorporation of our bank will create a trend. I would hope it would probably trigger the incorporation of further banks. In fact, the two applications that were proposed give an indication that if it is shown it is possible to form new banks in Canada there will probably be more banks applied for. This trend will be good. If it should change say 5 per cent of the total banking system, in that the new bank will end up with collectively 5 per cent of the system, I think we will find we have a better system.

The fact that we are able to get tenders and I think the gentlemen at that end of the table are aware of this fact—from the two French banks and the Mercantile Bank at a better level than some of the other banks, I think is good; it shows the market place is in operation.

Mr. COATES: Another thing that concerns me is that in recent years there has been a trend towards some of the smaller banks—and they are quite substantial, a good deal more substantial than yours is at this time— have found it necessary to merge in order to stay in business in a competitive way, and yet we are being asked now to approve another charter which may very well lead to your deciding in a very few years that you have to negotiate a merger.

Mr. COYNE: I do not think the recent mergers were imposed by necessity, because the banks could exist in competition. I do not know what were the precise reasons or motivations, but there was no indication at the time that the Toronto or Dominion Bank could not continue to operate.

Mr. COATES: But they felt they could better survive in competition by merging, otherwise they would not have merged.

Mr. COYNE: We do not know why they wanted to merge or what were the views of the directors. They may have felt they would make more money if they merged.

Mr. COATES: I am sure that would be the incentive.

Mr. COYNE: Some may have got tired of carrying on the business themselves and wanted some other fellow to carry on for them. There could be a lot of reasons other than sheer necessity.

● (5:20 p.m.)

Mr. STEVENS: It certainly was not unanimous in the opinion of the directors.

There is another thing, Mr. Coates. Our banking system in Canada since the war has changed drastically, and this has been speeded up in the last ten years to a great degree. It is a system today because it is a more retail banking system as opposed to a wholesale banking system that can successfully have smaller banks participating.

The CHAIRMAN: Le prochain sur ma liste est Monsieur Comtois.

Mr. COMTOIS: I have a question for Mr. Stevens.

Mr. Stevens, you stated this morning that there were over 5,000 persons who actually control a block of 430,000 shares. There is another block of shares that you control, and as I can see they are the majority. You control the majority of shares in the second block. How many persons does that second block represent?

Mr. STEVENS: What might be helpful, Mr. Comtois, is a chart that has been prepared. At this morning's session it was suggested we might prepare some