

*Bank Act*

The banking committee agreed that Citibank will be allowed to retain a 25 per cent interest in the Mercantile Bank of Canada, now its wholly owned subsidiary.

Mr. Chairman, this was contained in the original Bank Act of 1965. The 25 per cent interest which Citibank was allowed to retain was a provision also contained in the original Bank Act, and no action of the banking committee nor any amendment brought in by the present Minister of Finance have in any way changed the magic figure of 25 per cent. So, I think in all fairness to the present minister, when we get to a clause by clause study of the bill some of these things should be appreciated. I am pleased, as one member of the committee, to repeat here tonight that there is no difference in the philosophy of the present bill and the bill which would have normally been adopted had the election not interfered with its passage.

• (10:00 p.m.)

Now, Mr. Chairman, I believe that, if anything, the present bill is a little more restrictive of Citibank and other large groups of investors. It is more restrictive because some of the loopholes that existed became apparent to members of the committee and were properly blocked. There is one, however, that bothers me a little and I hope to get to it in a few minutes. I will make a suggestion to the minister, but whether or not he intends to do something about it will be up to him.

I am rather pleased, Mr. Chairman, to see the front page of the *Montreal Star* tonight. There is a headline which reads, "U.S. Reverses Stand on Bank Control". This is one of the types of harassment to which the government felt they were being subjected at the time of the Mercantile controversy. I like to think that the remarks the Prime Minister made on the program "The Nation's Business" on February 1, 1967, pretty well summarized the philosophy not only of our party but all parties. In mentioning our relationship with the United States, he said:

There are two dangers, however, which we must avoid in the search for fair and acceptable solutions to our problem. The danger on the Canadian side is an oversensitive nationalism, defensive rather than aggressive; based on the feeling, and the fear that as the weaker partner we are too dangerously vulnerable to the effect of the decisions of the friendly giant that lives beside us. The danger from the American side is ignorance of our desire, yes, our determination, to remain independent and separate; and an inability on their part to understand our refusal to accept the doctrine that what is good for the United States must necessarily be good for Canada too.

[Mr. Mackasey.]

Now, Mr. Chairman, the the main conflict with Citibank and Mr. Rockefeller resulted from their failure to understand that we respected our sovereignty, that we have a right to control our own destiny and that the Bank Act becomes a charter for our Canadian banks. We have the right, therefore, to change the rules every ten years. Once Mercantile Bank accepted this philosophy, once they realized we were firm on this particular point, once they realized that as a Canadian chartered bank they had a responsibility to respect the laws of this country, not adopted by this party but by this parliament, they stated quite definitely in a telegram placed at the disposal of the committee by the present Minister of Finance that they would respect this law. I can assure you that, to the best of my knowledge at least, in any role I may have played wittingly or unwittingly, no concession was given to Mercantile Bank in return for their realization of our determination to run our own affairs. For that matter, none was asked. The moment Mercantile Bank respected the Canadian philosophy in this bill, then we in the banking committee felt it would be fair play if we were to help Mercantile Bank adjust to the restrictive clauses that exist in the bill and which existed in the previous bill tabled in the house in 1965.

I should like to say—and I am watching the clock—something about the cabinet split and the newspaper headlines. I notice the hon. member for Ontario looking at me quizzically, but I am not a member of the cabinet nor have I been. He was a member of the cabinet. I say, what type of cabinet would this be if we had 24 members all sharing the same philosophy, all left wingers, all right wingers, all uniform in their thinking? Is it not the purpose of cabinet to represent all segments of society, all philosophies and all political thought?

**Mr. MacInnis (Cape Breton South):** Solidarity.

**Mr. Mackasey:** That may not be true across the way, but it is the way it should be. All Canadians in this country are entitled to representation in cabinet, whether geographically or any other way. The purpose of cabinet is to form a consensus and to—

**Mr. MacInnis (Cape Breton South):** Would the hon. member permit a question?

**Mr. Mackasey:** Not now; I will at the end, if I am given time, because I am racing the clock. If the cabinet wants to leak what goes