

Continental Bank of Canada

Banque Canadienne Nationale, Sicard, Anglo Canadian Pulp and Paper, Imperial Life, Scott Paper, Home Oil, Rothmans of Pall Mall, and son of Louis St. Laurent who was a director of IAC.

● (1710)

Then we have D. K. Yorath, vice chairman, IU International Ltd., director of Montreal Trust. IU International Ltd. is the new name for a high American utility company which owns Canadian Utilities Ltd., Alberta Power, Yukon Electric and a number of other power companies. Also, D. W. Maloney, director of a number of IAC affiliates; Harold Corrigan, president Alcan Canada, director of a number of other Alcan associated companies and current president of Canadian Manufacturers Association; J. C. Thackray, executive vice president of Bell Canada and director of Bank of Montreal, Union Carbide; Peter F. Bronfman, president of Edper Investments, chairman Canadian Arena Company, director of Trizec; E. J. Courtois, director of the Bank of Nova Scotia, Brinco, Canada Life, Trizec; president of Canadian Arena Co.

The committees of both places were concerned about one question: Was insider information given? We were assured over and over again in committee that the purchases were made by Carena Bancorp, without inside knowledge. Apparently nobody anticipated that IAC would try to convert itself into a bank. We are asked to believe that this large investment, involving almost one-fifth of the shares of a large company, was not made on the basis of inside information, that is, information that IAC would try to convert itself to Continental Bank of Canada. We know that someone inside the corporation had been thinking of this move for a long time, perhaps three years. Yet apparently no information was given to the directors before the announcement was made to them. Under the company's charter, an announcement of that kind to the directors apparently had to be made public. Well, we are asked to believe that the directors had no prior knowledge and that there was no discussion among them. It takes a lot of believing. It may be so. That question, among others, I want to examine.

The ultimate holding company involved in this complex seems to be Edper Investments, which holds Carena Bancorp, which in turn holds both Canadian Arena Co. and a roughly 20 per cent share in IAC Ltd. as well as a number of other investments. As well as Peter Bronfman, mentioned previously, the other major interest in Edper-Carena is Edward Bronfman who is chairman of Edper and a director of Canadian Arena Co. and of Trizec.

There are a number of connections between IAC and Carena Bancorp. For instance, E. J. Courtois has been a long-time director of Trizec, of the Bank of Nova Scotia, Brinco, Canada Life, and so on. Others involved with IAC are also on the board of Trizec. Yet we are asked to believe that no insider information was given, that shares were bought on the open market without prior knowledge that IAC would try to convert itself into Continental Bank of Canada and take advantage of all benefits available to banks.

Mr. Speaker, there is a coziness here which disturbs me. It may not be against the law, but when people say they want to establish another bank and compete it is pertinent

[Mr. Saltsman.]

to ask, what kind of competition are they talking about? Are they talking about deals to be made on the golf course, or similar kinds of business deals and competition? We need clear evidence that this conversion is in the national interest. In the absence of any clear evidence we must look at how corporate arrangements are made. We need to know a lot more about this deal.

Mr. Woolliams: Mr. Speaker, would the hon. member permit a question?

Mr. Saltsman: Mr. Speaker, not at the moment, if the hon. member does not mind. I would be glad to receive his question when I have concluded my initial remarks. As I said, we are concerned about unanswered questions. We want to know about the question of tax shelter, of public disclosure, about interlocking directives, about the possibility of insider information, and so on.

A serious question is at issue. If the bill were to pass it would anticipate the legislative decision parliament should properly make in revising the Bank Act when a full examination of the future of banking and financial institutions can be made. The Bank Act is reviewed every so often, and I understand the next review will be next year. This bill provides for exemptions which negate the Bank Act. If the bill passes, you might as well say the Bank Act does not exist. I know that certain agreements have been reached with the powers that be. I do not suppose the company is doing anything illegal. I do not suggest for a moment that it is. Nor am I trying to say anything about IAC shares. But we wonder who exactly is interested in this IAC conversion. We have embarked on many long discussions in committee. I have talked privately with the IAC people and with the sponsor of the bill who has been a good advocate on their behalf, and I realize that we cannot take this matter lightly.

Here is a large, important Canadian company coming to parliament and asking for something to be done on its behalf. Let me say that we would like to help. We are not refusing to help; that is not our attitude. We should like to be persuaded of the worthiness of their cause so that we can accommodate them. We are open to any argument any hon. member may want to put forward. We know the importance of what we are doing. We are not doing it casually, and we are not delaying anything. My colleagues and I have discussed this among ourselves and we are persuaded that there must be a fight on this question. As I say, we will listen to arguments, and if someone makes an argument showing that this conversion is in the national interest we will look at it. Let me say this: it is the strategy of the government to let the opposition talk itself out. Well, we will not talk ourselves out. We will need to be persuaded out, if I may put it that way, so hon. members might as well get up and say what they must say either in defence of or against the bill.

The Bank Act must be revised. It is significant that not one of the chartered banks appeared before the committee to say, "We do not want another competitor" or, "We think there is something wrong with what is going on." There was a conspiracy of silence. Not all committee members have been so silent. This matter is something of a precedent. We must consider the Bank Act and the implications of the Bank Act. As I say, if this bill passes in its present