

Senator McELMAN: Since it seems to me that the minister is privy to all the cross play of investment between banks and near banks and trust companies, perhaps this is the secret to some of the clauses of this proposed act that are under question now. If it raises a question in one's mind. I think we must accept that one of the prime bases for the amendments to the banks and banking act is to improve the competitive picture in the whole financial field, since two of those prime competitors will be the chartered banks and the trust companies.

Senator McCUTCHEON: Life insurance companies are more important in the mortgage field than trust companies.

Senator McELMAN: Why the intensive interest to maintain these directors?

The CHAIRMAN: The one statement is made, senator, that the life insurance companies are much larger occupiers of the mortgage field than trust companies.

Senator McELMAN: I appreciate that. But for the moment we are discussing primarily two of the major competitors, or what will be the major competitors under this new act, namely the chartered banks and the trust companies. Why the intensive interest to maintain these directors? We are perhaps talking about 75 Canadians in the whole business and financial community of Canada out of some 20 millions of people. It seems rather a small number to be so intensely concerned about.

Senator BENEDICKSON: We are concerned with the people—the entire population.

Senator McELMAN: That is the point I am making.

The CHAIRMAN: Possibly we have taken this as far as we can without hearing the minister. This might be an appropriate time to hear from the minister on the several points we have been discussing.

The Honourable Mitchell Sharp, Minister of Finance: Mr. Chairman, may I first of all enter an apology for the short notice that has been given to the Senate. Even under the best of circumstances you are having very limited time to look at this very important legislation, and I can assure you that it was not the aim of the Government to foreshorten debate in the Senate in any way at all. We would have preferred to have seen as much debate as you wanted devoted to this bill. However, even the Government does not have complete control over the House of Commons, and things did not work out in quite the way that we had planned. I just make that by way of an opening observation.

Senator McCUTCHEON: But we have until about April 12 to consider this, have we not, Mr. Minister?

Hon. Mr. SHARP: I suppose I could say that the Senate has until April 12 to consider this, if they wish to do so; and they are masters of their own procedures. I would not recommend it, however. I would hope that the Bank Act which has now been before Parliament, if not before the Senate, since July, should be approved as quickly as possible. I can recall when we passed some of the extending acts, the temporary legislation to extend the charters of the banks to that they did not expire before the passage of the act, and some of the banks encountered difficulty continuing in business in other countries, because they were not quite sure whether they were authorized to continue to be chartered banks. Perhaps I can call on Mr. Paton as a witness in this respect, but I know there was something pretty close to panic amongst directors of some of the banks because Parliament did not get the charters extended until they had almost expired.

Senator McCUTCHEON: They can phrase their cables differently this time and say, "Unless we hear from you we are in business."

Hon. Mr. SHARP: Unfortunately, other countries have not governments quite as reasonable as the Canadian Government.

The CHAIRMAN: That will hold you!

Hon. Mr. SHARP: Mr. Chairman, would the senators like to ask some questions about this bill?