

The CHAIRMAN: The committee has not made any decision on that point yet.

Senator CRERAR: I know, Mr. Chairman; but I submit to you, with all deference, is that not a point we should decide first?

The CHAIRMAN: In effect, you are suggesting that this committee disperse with further hearings, dismiss the witnesses, and go into a session to determine what policy is going to follow. Is that your suggestion?

Senator CRERAR: No. My suggestion is this, that supposing we hear the arguments, effective arguments for securing their charter, we should first of all go ahead on the assumption that at the end of the hearing we will not reach a decision and throw the whole matter aside for another year.

The CHAIRMAN: I do not think that would be the right way of proceeding. These witnesses have presented a bill to the Senate. It has got to the stage of committee, and they are entitled to a hearing, and afterwards it is up to us to make a decision.

Senator CRERAR: There is no question but that they are entitled to be heard; but it is an exercise in futility if we hear them, when we have already not decided the question of whether or not we grant the application.

The CHAIRMAN: I don't know that we have.

Senator LEONARD: Perhaps Senator Crerar might feel that he was better able to consider the larger question that he raises as and when we have had the evidence and we have heard some of the debate among the senators, and then proceed.

Senator CRERAR: I repeat that we are putting the cart before the horse. There is no sense spending hours hearing the applications and taking up the time of these gentlemen if, at the end, we are going to reach a decision that we will not grant these charters.

Senator LEONARD: I hope not.

**Sinclair M. McKight Stevens:** Mr. Chairman and honourable senators, I wish to thank you again for giving Mr. Coyne and myself this opportunity to reappear before you, so that we may endeavour to answer any questions that may be put to us with respect to our application for an Act of Parliament to incorporate the Bank of Western Canada.

As we indicated in our earlier appearance before you, our position is clear. The incorporation and organization of banks is dealt with in section 8 to 18 inclusive of the Bank Act. In applying for an act to incorporate our proposed bank, we have followed the procedure laid down in the act, and to the best of our knowledge there is no requirement which should have been met at this date which has not been met. In fact, the minimum amount of capital set out in the Bank Act which should be subscribed upon incorporation is \$1 million, upon which \$500,000 has been paid. In our case, almost \$13 million has been raised and is now held in trust, to be used in subscribing for capital stock in the proposed bank should a charter be granted.

In this connection we have been asked as to why we have raised such funds in trust, and it may be helpful if I clarify our thinking. First, at the time of the Mercantile Bank of Canada incorporation hearing before this committee, one point that disturbed presidents of existing Canadian chartered banks who appeared before this committee, was the feeling that the proposed capital of the Mercantile Bank of Canada, some \$1,500,000 was inadequate. For