

immunities, and to subject it to all the liabilities and provisions set forth in this Act.

Then, I might call your attention, honourable senators, to clause 7 of the bill, which is complementary to section 9 of the Bank Act. It repeats the words that make the new bank subject to the Bank Act.

That is the first point I wish to make, namely, that Parliament already has established the principles for incorporating a bank; the principles by which the applicants for incorporation are to be governed. This bill which is now before us complies with the principles laid down by Parliament in the Bank Act.

Let me deal more particularly with the clauses of the bill, one by one. Clause 1, you will have noted, contains the names of approximately 100 petitioners. Many of these names are familiar ones on the national scene. They will be known to senators from all parts of Canada, and I think senators from western Canada especially will know most of them. I believe the petitioners form a representative cross-section of the west.

Clause 2 complies with the Bank Act by setting out the names of the provisional directors. Mr. James E. Coyne is known to all of us as the former Governor of the Bank of Canada. He is now chairman of the board of York Trust and Savings Corporation, which is one of a group of financial companies that is interested in supporting this application. Mr. Sinclair Stevens, a solicitor in Toronto, is president of the York Trust and Savings Corporation and also of the Wellington Financial Corporation Ltd. Maxwell Bruce, Esq., Q.C., is personally known to me as a lawyer of standing and repute in Ontario, and is a son of Dr. H. A. Bruce, a former Lieutenant Governor of Ontario. Mr. Nesbitt is experienced and well known in the mortgage and real estate business in Winnipeg. Mr. J. L. Bodie of Edmonton, I am informed, has had extensive business experience throughout western Canada, and is now vice-president of British-American Construction and Materials Ltd. and president of Alberta Fidelity Trust Company. Those are the provisional directors.

Clause 3 of the bill provides that the capital stock shall be \$10 million. This amount is 10 times the minimum required by the Bank Act. In committee evidence can be given as to the actual amount expected to be subscribed. I am informed that present indications are that the total of the bank's paid-up capital and reserve will be of the order of \$12,750,000 before it commences business. In that case I believe that it will have a larger amount of capital and reserve

than any other Canadian bank ever had at the time of the commencement of business.

Clause 4 provides that the head office will be in Winnipeg.

Hon. Mr. Haig: There is nothing wrong with that, sir.

Hon. Mr. Leonard: I might add, that at the present time no Canadian bank has a head office west of Toronto.

The name "Bank of Western Canada" indicates a regional character, but so do also names such as Bank of Nova Scotia, Bank of Montreal, and Bank of Toronto, as the Toronto-Dominion Bank once was, and yet these are great national banks doing business throughout Canada. I understand it is not intended to restrict this bank's operations to western Canada.

Clause 5(1) provides that all directors—I emphasize "all"—shall be subjects of Her Majesty, ordinarily resident in Canada. This goes further than the Bank Act which requires only a majority of the directors to be ordinarily resident in Canada.

That brings me to the other provisions of clause 5, and these relate to the residence of shareholders. These provisions are not required by the Bank Act, and have not been in the act of incorporation of any bank previously. The promoters of this bank and the petitioners for its incorporation desire this to be a Canadian bank in every sense of that description. They are aware that there has been public comment and discussion as to the matter of foreign ownership of Canadian institutions. Their intention is to have this bank under Canadian ownership and control, and they have therefore put in this bill the provisions of clause 5. Subclause 3 of clause 5 limits the ownership by non-residents to 10 per cent of the outstanding shares. The other subclauses are strictly and tightly drawn to make sure that this limitation is effectively carried out.

By subclause 9 of clause 5, the clause ceases to have effect on July 1, 1965, but I should call the attention of all honourable senators to the fact that the provisions of all charters of all banks expire, under the law as it is at present, on July 1, 1964, and that it is proposed to extend that date—I believe the Minister of Finance has given notice of this—to July 1, 1965 in order to allow time for the decennial revision of the Bank Act after the Royal Commission on Banking and Finance has reported. Subclause 9, therefore, brings clause 5 into line with all the other provisions of the Bank Act, and of the charters of all the banks.

Clause 7 of the bill is added for the reason only that although this bill has departed from the form set out in schedule