

Senator CROLL: Well, as representative surely he must have made himself knowledgeable on that point.

Senator McCUTCHEON: He says he has not. Why do you say that surely he must have?

Senator CROLL: Then he ought to have.

Senator FLYNN: But he should not be criticized simply because you would like to hear something—

Senator CROLL: No, it is not that. This is the sort of knowledge he ought to bring to this committee.

Mr. PATON: Perhaps, senator, I might enlarge my remarks. I had not quite finished my answer when we digressed a bit. I referred to two relationships that are on the public record which indicates that although there is not a share ownership there is some connection. There is not a share ownership. That evidence was given before the Porter Commission. I know also that my own bank, for example, has an interest in the Canada Permanent Trust Company, and it does own shares in this company.

There was also evidence before the Porter Commission given by other general managers of banks indicating their interest, if any, in a trust company. We were asked this direct question by the Porter Commission, and the answer is on the record. Now, I am not privy to the information in respect of other banks, as you will appreciate.

Suggestions similar to the ones raised here today were raised in the early hearings of the committee of the House of Commons, and I think it was generally conceded that it would be inimical to the best interest of the Canadian public to have this information made part of the public record. It was known to the Inspector—

Senator CROLL: Why would this knowledge be inimical to the best interests of the general public?

The CHAIRMAN: Please let the witness finish.

Mr. PATON: These holdings are known by the Inspector General, who has complete access to our records, and therefore through him known to the Minister of Finance. It is specifically spelled out in the Bank Act that the Inspector General's knowledge is to be held entirely by himself and, through him, the Minister, and that his knowledge of customer-bank relationships must always remain strictly confidential. This is one of the reasons why it is inimical to the best interests of the public.

The other reason is that if this clause is left in the Bank Act it will require the divesting of shares, and this could have an effect on the market.

Senator PROWSE: Can you tell us the number of persons who are directors of banks in Canada at the present time? What is the total number of directors?

Mr. PATON: I can give you that. There are approximately 255 directors—do you have that information, Mr. Perry?

Senator BENEDICKSON: I suppose it is inconceivable that any one person would be a director of more than one bank?

Senator PROWSE: Perhaps I could get the whole thing. What I am interested in is this: What is the total number of directorships in the Canadian banking system at the present time, and of the present number of bank directors how many would be disqualified by this legislation? What I want to know is how many vacancies are going to be created.

Mr. PATON: My information is somewhat dated. A survey was made in 1962, and it showed that there were 639 companies listed on the Toronto Stock Exchange—that is not part of your questions—and only 255 of them had a bank director on their boards and there were at that time 256 directors of banks.

Senator PROWSE: There were 256 directors of banks?

Mr. PATON: Yes. This was in 1962. I do not have the current information.