

The CHAIRMAN: We have had an hour's discussion on this. Surely I can put the question. The amendment is:

Strike out lines 38 to 40 on page 14 and substitute therefor the following:—but this subsection shall not come into operation until the 31st day of December 1972.

Senator KINLEY: I wish to say a word on this. I have heard a bit about this clause and I am not going to speak academically but from experience.

We had a trust company in Nova Scotia which earned a million dollars a year. The bank authorities elsewhere thought they would like to take charge of it.

I found that one of the biggest shareholders was sympathetic to the idea and so also was the president. They brought a resolution to the annual meeting to list the stock on the stock market. I thought I smelt something there and asked the chairman how that would help us. He said he did not know, but I thought it was for a purpose. There was a rumour that the bank was going to take over a trust company. I found that a trust company in Toronto was going to amalgamate with the trust company in Nova Scotia. I thought it had to go before the Senate before that could be done, but it appeared that the trust company had a national corporation, a dominion corporation, that the one in Toronto did not have, that enabled them to amalgamate without going to Parliament.

They got control of the stock by the influence, I think, of some of the largest shareholders, and that amalgamation was made.

It was not long until the president of our trust company was made a director of the bank. The chairman here will have some knowledge of that, as I think he is a director of the bank also. One of the largest shareholders of the trust company, an influential man, a very fine man, was also made a director of the bank.

That is to say, we in Nova Scotia found it always happened that when we got anything profitable down there, those outside tried to get it to reap the profit. We had at least five banks in Nova Scotia and they have been amalgamated with the banks in Canada. We thought they were good, that we got good service from those banks. I have nothing to complain about the banks, in their treatment of me, in 60 years I never was refused anything by a bank, I always got what I wanted, and I always paid them.

The minister has a point there when he talks about this amalgamation. The bank directors are a pretty close lot. They are good men and I have nothing to complain about, they have always treated me well.

In this instance, however, the minister has something when he says the directors should not be directors of both. You give the banks a privilege of a higher rate of interest and you give them all these privileges, so I feel this will do something to the trust companies and I want them to fight separately instead of being overruled by directors who belong to both.

I know that the president of the trust company of which I am a director is now a director of the bank. I was asking him a question a couple of months ago on one point and said: "Which side are you going to take, that of the trust company or the bank?" He said: "I do not know, I am on both sides."

I feel that the minister has got something there. I am going to vote against this amendment, because I think it is in the interests of the bank and of the public that these institutions be kept apart.

In business, if you have two companies, and you have shareholdings in each, over 50 per cent, at the time of division of profits, you have to put the profits together and you have no liberty in that regard.

There is another thing I do not like in business. If I am a subcontractor in a field and I supply an inventory and I take a contract, the first thing I find is that the bank has a lien and then they take over the book debts. It has come to the stage now that they even want you to surrender your mechanics' lien. In the case of the average man in business, when he goes to the banks in Canada they say "Give us a lien and we will