

Mr. HORNER (*Acadia*): In other words, you encourage trust and loan companies rather than finance companies? I do not know whether it is a worth-while business and whether or not it lends support to your charter. In my opinion it does not.

● (11: 20 a.m.)

Let us go back to the fact that you and your associates will own 50 per cent of the proposed capital of this bank, which is already in trust. Am I right in saying that you make your headquarters in Toronto?

Mr. STEVENS: Me personally? Yes.

Mr. HORNER (*Acadia*): Why should I as a westerner believe that all of a sudden, because you have formed another company and want a charter, you are going to direct your interests to western Canada when until recently, when you bought the 30 per cent in Alberta Fidelity, they were solely directed in and around Ontario?

Mr. STEVENS: Perhaps the best way to answer you is by mentioning Alberta Fidelity. We have predominant control interest in Alberta Fidelity. Mr. Bodie would confirm I think today—and he is President of the company—that we in no way interfere with the operations of Alberta Fidelity in Edmonton. If they wish to make a loan to someone or carry on their day to day business we do not interfere at all. Their business is managed in Edmonton and the only contact we have is in directorship in that two of our people sit on the board of Alberta Fidelity. They in turn pass on whatever comes before them at board meetings. The effective running of Alberta Fidelity Trust, however, is in Edmonton.

Mr. HORNER (*Acadia*): I noticed in the Senate committee two years ago, Mr. Stevens, you stated in your opening remarks that you would be a permanent director of the proposed bank. You did not state that this morning.

Mr. STEVENS: I hope to be.

Mr. HORNER (*Acadia*): A permanent director?

Mr. STEVENS: Yes.

Mr. HORNER (*Acadia*): I gather from that statement that you hope to be a permanent director for life.

Mr. LAMBERT: As opposed to a provisional director.

Mr. HORNER (*Acadia*): We are still supposed to assume that, giving you 50 per cent to start with, you will begin to divest your interest in the company?

Mr. STEVENS: Yes. As I said, the proposed amendment to the Bank Act introduced in the last parliament is quite acceptable to us. We feel it is necessary, in order to have control of this type of situation, to place effective control in somebody's hands initially.

Mr. HORNER (*Acadia*): How would the proposed amendments to the Bank Act force you to divest? Could you not overcome them by backing three or four other companies as you have already said British International has backed Wellington? Could you not then divest other companies unknown to the Minister?

Mr. STEVENS: If you were to do that you would certainly not be abiding by the intent of the amendments as they were proposed in the last parliament. As far as our group is concerned, we certainly would not do it.