

# Toronto Daily Star

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## Citibank gets too many breaks from Ottawa

If American-owned Mercantile Bank is permitted to operate in this country in the way decided upon by the banking committee it will be a tragedy for Canada.

It will mean the federal government has bowed to pressure from the United States to grant concessions to Mercantile enjoyed by no Canadian bank. It will also seriously interfere with the government's declared policy of keeping control of banking in Canadian hands.

Two vital concessions—vigorously opposed by Walter Gordon and the nationalist wing of the Liberal party—have been offered the National City Bank of New York (Citibank). Citibank purchased Mercantile after being warned they could not expand unless they abided by new Canadian banking rules.

—The banking committee agreed that Citibank will be allowed to retain a 25 per cent interest in the Mercantile Bank of Canada, now its wholly owned subsidiary. This is a sharp departure from the general rule in the proposed Bank Act amendments, which forbids any individual or corporation (Canadian or foreign) to own more than 10 per cent of the stock in any other chartered bank.

This provision was included in the amendments to ensure that no one large financial group could exercise undue influence and thus make the chartered bank less responsive to Bank of Canada policy. Now, with regard to Citibank, the committee proposes to tear the provision up.

Apart from the fact that Citibank has been given a privilege denied to all others, the concession has great practical value. With 25 per cent of the shares left permanently in its hands, Citibank will probably be able to keep effective control of its subsidiary even after it sold the remaining 75 per cent of the stock to Canadians. Any hope of "Canadianizing" Mercantile—in management as well as in share ownership has probably been lost.

—Citibank will be given five years to dispose of the remaining 75 per cent of the stock in Mercantile. During this period, Mercantile will be free to expand its business without limit; the drastic restrictions which the amendments impose on any bank which is more than 25 per cent owned by foreign interests will be suspended for the five years.

These restrictions provide that where the 25 per cent is exceeded, the bank is required to limit its total assets to 20 times its capital stock. No one doubts that the Mercantile directors, with the immense resources of Citibank behind them, could use this period of grace very profitably. By 1972, Citibank, through its Canadian subsidiary should have carved itself an important share of Canada's banking business—and the sale of 75 per cent of its holdings in Mercantile would not make very much difference by that time.

This, of course, is exactly what the amendments to the Bank Act were originally designed to prevent. It is an ironic commentary on the many statements by government leaders—including Mr. Sharp—that banking in Canada must be kept under Canadian control.

But serious as the direct results in the banking field may be, they would be overshadowed by the possible effects on Canadian-United States relations generally. Citibank's experience would hearten every large U.S. corporation which felt itself cramped by legislation designed to limit foreign control of Canadian industry. Just be bull-headed and unyielding and have Washington bring pressure on your behalf and the Canadians will water down the offending regulation—that is the lesson likely to be drawn from the committee's attitude.

With the committee retreating in disarray, the last faint chance of stopping the Wall Street invasion rests with the private members of Parliament and especially those in the Liberal caucus. If they make their disapproval of the deal clear enough and strong enough, there is still a possibility that the cabinet may wobble or even again and put back the teeth in the Bank Act amendments.

Is Finance Minister Sharp pro-American? Canadians are justified in wanting to put regulations and restrictions on Mercantile, an American-owned bank. Even though Mercantile owners snubbed their noses at Canadians and went ahead with their policies in Canada, Mr. Sharp has backed down, changed his mind and leaned toward the American viewpoint. It is sad to see not only a Canadian but a Canadian member of Parliament being pushed by our friends the Americans.

Thank you for your revealing editorial (March 6) about Finance Minister Mitchell Sharp's attitude in the Citibank-Mercantile Bank affair. Mr. Pearson stated categorically that there would be no retreat. Brave words, but hollow. James S. Rockefeller and other officials of the New York Citibank flouted our Parliament and ignored the right of Canada to be master in her own house. As a Canadian I consider the intervention of the U.S. state department.

W. J. SACCO  
Niagara Falls

### QUESTIONS & ANSWERS

#### Fewer babies born here each year

Canada's population is steadily going up. Is it true that there are fewer babies each year?—W.C.

Yes, the population increase is due to immigration. The number of babies born in 1965 was 418,595, compared with 452,915 in 1964 and 465,767 in 1963, indicating a drop in each year. The total for 1966 is not yet available.

Last summer there was a large maple-leaf floral bed beside Grenadier Pond. What flowers were used?—A.B.

Toronto Parks horticulturists tell us the big maple leaf in High Park was built up of begonias, with Indian Maid variety used for the background and Senecio for the veins of the leaves.

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NIGHT



THE PRESS IS WAITING FOR YOUR STATEMENT ON WORLD PEACE, SIR

## Voice Of The People

### 'If Ottawa stays on knees to Citibank, I'll change my vote'

I hope numerous people appreciate your editorials, which have taken a firm stand for Canada against Citibank, as much as I do. Please don't let us down, as it appears the government has.

We seem to be saddled with a government that has learned to walk on its knees, and can't find the courage to get off them. I am one of those who do not want to be American, and don't want to pay tribute to their "Big Business," as if we were a colonial satellite.

I have lost confidence in our present government's ability to act decisively on any matter, and, so, am now sizing up likely candidates for the next government, which I hope will come before Canada is completely liquidated.

DOROTHY MORRIS  
Thornhill

#### Backed down

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#### U.S. 'impertinence'

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### School principals: 'They need to be specially trained'

I am all for merit pay for teachers and I'm sure that there are ways of making it workable.

I am not sure, however, that many of the principals that we now have are the ones to judge "good" teaching. Often they don't see their teachers in action much more than the inspectors do. Many principals are concerned mainly with discipline, paper work, announcements, halls, rules—all of which have really nothing to do with education, teaching or learning.

I wonder if we need principals as they are now at all? The principal has enormous power and

ment an impertinence and an infringement on our sovereignty.  
(Mrs.) M. SACKS  
Toronto 12

#### Buy car, not fare?

A public service is a service catering to the public in the best and most efficient way possible. Is raising TTC fares by 20 per cent the best possible way to serve the people?

People living in suburban areas use the TTC as their cheapest means of transportation. With the proposed raise it would be cheaper for many to buy a car.

JERRY JAVASKY  
Downsview

#### Ban transfers

I am now one of those "former TTC faithfuls" who will leave the TTC behind and further clog the streets by driving, if the fares are raised.

I would remain a streetcar rider if 14 tickets for \$1 were offered, but no transfers allowed. Each change of bus or streetcar (including into and out of the subway system) would require one more ticket. This would be quite reasonable, if several of the less important routes were lengthened, straightened or linked together.

MARSHALL DUNN  
Toronto 10

#### Truth a sin?

State Secretary Judy LaMarsh certainly seems to have stirred up some powerful opposition with her recent statements on draft-dodgers. I'd like to comment on the views of Mrs. Phyllis Doolittle (Voice, March 9).

Mrs. Doolittle is evidently still a loyal member of the "My country, right or wrong" fraternity, since she does not approve of young men "shirking their duty as their country sees it."

This to me has a flavor of "1964." Just what are you supposed to do if you consider your country to be in a morally indefensible position? Go along with it, to the extent of killing and,

possibly, of being killed yourself?

Her fraternity is apparently incapable of understanding that it is possible to view the U.S. involvement in Viet Nam with less than wholehearted enthusiasm, and that many people, among them some men of drafting age, consider this involvement to be plain wrong.

Mrs. Doolittle's view of what constitutes loyalty to one's country seems to include the idea that citizens of other countries must also be loyal to hers.

I do not see why a flat statement of truth—"Young Americans, who wish to avoid the draft are free to come into our country, and we already have several thousand"—is disloyal, a breach of faith, or possibly treasonable. How can Miss LaMarsh, a Canadian, commit treason against the United States? What, in fact, is wrong with this statement? It is perfectly true. These people are free to come into the country. We do already have several thousand.

Is it a sin to speak the truth in Philadelphia?

(Mrs.) CYNTHIA FLOOD  
Toronto 7

#### Nomination

My choice for the office of governor-general of Canada is John W. Fisher.

He is at present head of the Canada Centennial Commission. He is a Canadian. He is totally bilingual. His whole life has been spent in service to his beloved Canada.

JOHN A. SERRES  
West Hill

### 'No compensation for Island homes'

In your biased editorial of March 4, why do you refer to the Island residents as the privileged few in their private retreats?

The people who write for your paper know nothing about the Island homes, because they don't take the trouble to visit the Island.

heard of secondary principals and vice-principals using their precious time phoning parents to see why a child is absent!! Principals could then use their knowledge and ability where it is needed—in the classrooms. The principal must be chosen for his leadership qualities. He needs special training. Instead of promoting "good" teachers to principals the business administrators could take over paper work, thus keeping good teachers teaching. They could be given special recognition, monetary and/or otherwise.

(Mrs.) D. C. TROWELL  
Toronto 12

#### Sell homes

The property owner is always complaining about high property taxes on his home. He must remember that the investment in his home is free of income tax.

If he had the present day market value of his house invested in revenue-producing stocks or bonds it is likely his income tax would increase to considerably more than the realty taxes he is now paying.

Let him sell his property and rent an apartment, he will then find out how fortunate he was when paying realty taxes only.

JOHN BENTON  
Toronto 5

#### Fears about HOME

The electorate should examine the Ontario government's HOME proposal closely.

The idea is for the government to purchase and assemble blocks of land and then lease out building lots, allegedly to assist the lower bracket wage-earner to put up a house and pay "ground-rent" to Queen's Park.

This may result in a considerable reduction in the present cost of housing. But it would appear to do two things rather effectively:

It guarantees a continuation of high profits to the land speculators who presently own large tracts of land. It places the purchaser of a home on this land at the mercy of the government, which can and may eventually become the owner of both land and house.

This looks very much like protection for existing vested interests to the detriment of the wage earner.

DONALD ROSS  
Clarkson

#### No compensation for Island homes

The city encouraged veterans to build permanent homes here after the war and now in a housing crisis worse than 1946 want to remove year-round homes for a park.

For 75 years the Island has been a recreational playground for everyone. So why tell us we are getting something "new"—we had the same things before the bulldozers arrived and Metro parks began spending millions.

Your editorials constantly speak about the unfairness of compensation paid under the expropriation bylaws in this city. On Hanlan's Point our house was 10 years new and was plowed under with no compensation. On Algonquin Island there are 90 "no compensation" homes plus a large number on Wards Island.

You suggest we should be reconciled to the expropriation of our homes in 1968, imagine if you can—no home and no compensation—we can hardly wait!

L. STEVENSON  
Algonquin Island

## Houseclean Niagara 'Tory nest'

Premier Robarts should accept the resignations of six government-appointed members of the Niagara Parks Commission, and reconstitute the commission so that the 11 members cease to run its affairs as a cosy club.

At the same time the public interest requires a thorough inquiry into the operations of the commission, as Opposition Leader Robert Nixon has demanded. The air needs clearing. There is an atmosphere of political patronage.

Back in 1934 Liberal premier Mitchell Hepburn called the Niagara Parks Commission a "Tory nest," and charged that public funds were being spent by the commissioners on lavish entertainment.

It still seems to invite the description of NDP Leader Donald MacDonaid: "a little Family Compact." Even that admired old Conservative stalwart James M. Allan, former provincial treasurer, believes housecleaning is in order, and is ready to disturb the nest to do it.

Premier Robarts appointed Mr. Allan chairman of the commission in January, replacing Charles Daley, a longtime cabinet minister who had been chairman for a quarter of a century. Mr. Allan's start at reform of some cushy ways the commissioners had been carrying on triggered the six resignations including Mr. Daley's.

Several of the government-appointed commissioners have been there far too long, and their vision tends to be restricted by home-town hedges. They are all residents of the Welland-Niagara area.

The immediate cause of the ruckus

was Mr. Allan's effort to convert bedrooms in the posh "Refectory" (a commission-owned and operated restaurant building) into a public reception room. These bedrooms have long been reserved for the use of the commissioners, friends and visiting dignitaries.

It may well be asked why commissioners whose homes are in the district should be provided with sleeping accommodation in the park. But this—and free dinners and wines—is considered part of their reward for service. They are not salaried.

The commissioners run the Niagara Parks system, one of the world's great scenic attractions, and spend millions of public money got from Niagara River power rights doing it. Their compensation should not depend on expense accounts or free meals. We believe these part-time commissioners should be paid.

The public inquiry Mr. Nixon proposed, which could be made by the Legislature's Select Committee on Government Commissions, needn't be a witch-hunt about entertainment and expenses. The policies and procedures require thorough examination. Is the commission granting too many commercial concessions? Is it expanding the system fast enough for today's needs? Is it sufficiently protective of the whole Niagara Escarpment?

The Niagara parks are a provincial and national asset, not something to be operated primarily for and by Niagara-Welland-St. Catharines interests. The park system is good now; it can be made better by a broadly based commission with the vision to do it.

## Squatter schools for Metro pupils

Nearly every new pupil in North York this year will end up in a portable.

With this despairing observation, North York trustee Bruce Bone has pleaded for an immediate \$8,000,000 advance so that North York can open three new elementary schools and five school additions this year.

North York already faces the prospect of having to use 355 rickety portable classrooms in September. It doesn't want any more. And who can blame it?

Every local school board in Metro Toronto is in the same predicament. Yet Metro Council executive is still saying no, no, no.

Metro executive can continue to insist that it can't afford more than \$50

million for school construction this year. But the children can't wait for school roofs. North York alone will have 8,000 more pupils next fall than it now has.

Portable classrooms are useful, and often advisable, until it's known how large a school an expanding district will need.

But when acres of portables have to mushroom in school yards like squatters' huts, the problem is merely postponed and made worse. Permanent construction cannot be evaded forever.

And meanwhile the children at the heart of the richest province in Canada are getting squatter-type schoolrooms, without the facilities modern education requires.