

*Department of Insurance Act*

new chartered bank which lays down that these people shall be British subjects ordinarily resident in Canada. If the minister is talking about Canadian control, let him say "Canadian citizens ordinarily resident in Canada" not just "residents".

Let us come to the other point of residence. The bill speaks of a non-resident being an individual who is not ordinarily resident in Canada. The emphasis is on the negative all the time; you are something because you are not something else. But what do they mean by "a person ordinarily resident in Canada"? For the income tax law it is that your ordinary day to day residence is in Canada for at least 180 days. Does this mean that for the purpose of this act one shall be deemed a resident of Canada if there is a stay here of 180 days in one calendar year or one fiscal year? There is nothing in the bill to indicate this. Again, I say to the minister that he is only going half way. I am not necessarily accepting the principle of what he is trying to do, but in the attempt to do what I think he has in mind I do not believe he is going about it in the right way.

I know the minister's preoccupation with some sort of Canadianization of our corporations. I will not repeat the remarks made by my hon. friend from Digby-Annapolis-Kings (Mr. Nowlan) as to the complexities of the 10 per cent in the hands of one individual and the acquisition of anything over and above that which cannot be voted. This will have to be studied in committee. All I can say is that this is going to be almost a Frankenstein to administer. I may be wrong, but I have a feeling that a great administrative monster is being created. I do not know what sort of burden this will place on the backs of the registry and transfer agents who keep the day to day records of the ownership of the shares of any of the companies which may be affected by this legislation, but I am certain they will have a very difficult job, and of course it will mean an increase in the administrative costs of overhead of all these companies. The numbers indicated by the minister this afternoon do not indicate too many companies in a numerical sense. I do not know, but I suppose there may be a couple of hundred at the most. We hope there will be others. After all, the bill provides for investment in subsidiaries and the creation of subsidiaries, controlling interests by life insurance companies, trust companies, loan companies, etc. as well as participation by other life insurance companies in the acquisition of certain assets. All this represents

[Mr. Lambert.]

shareholders, and one must keep a careful watch upon who owns what to see they do not get over the indicated percentages.

However, there was another point to be considered, and this is one which I think we shall have to go into in committee in much greater detail. This was that the burden of any infraction—and it is a knowing infraction by a director—of the registration of shares in excess of the amounts permitted in the amendments to the acts will be the responsibility of the directors, who may face a prison term or a fine or both. But this says nothing about any penalty which may be imposed upon the transaction leading to the acquisition of these shares. It does say the transaction shall not be void in so far as the shares as concerned. True, I think there is a disability in not being able to vote them when the percentage is in excess of the 10 per cent or the 25 per cent as the case may be. But I am wondering, and I hope the minister can give me an answer in this regard, why it was not indicated in the legislation that a transaction entered into knowingly with a view to acquiring in excess of the amount prescribed should be void, in other words, not even the beneficial interest in the shares could be acquired; or perhaps not void—that might be going too far—it might be voided, and that a share transfer which was in breach of the amendment would be validated if it had been carried out bona fide and for consideration by a person who was not knowingly endeavouring to acquire shares in excess of those permitted.

There is one other aspect of this legislation I should like to speak about and that deals, I believe, with the trust companies and the life insurance companies. I refer to the delegation by parliament to the governor in council of the right to change the name of a company into a French or English form as the case may be, by way of order in council, without their having to come to the house and to the Senate in order to get the change of name. We have seen a goodly number of bills in this regard and I must say I express some sympathy personally with a company which faces this problem.

Unfortunately there have been some instances where a bill that has come to both the Senate and the House of Commons to give a French version of an English name has been seized upon as a weapon to stall, and to get into matters which have no relevance but which occupy the time of this house tremendously. I think, subject to further consideration, this provision may balance