

be eligible to own these shares. The effect in the act, as I understand it, is residence, not citizenship. If I have used the word "Canadian" it has been in that loose sense of a Canadian resident rather than a Canadian citizen.

Mr. LAMBERT: Therefore, there is no guarantee that a bank will not be under majority or almost entirely foreign national control under the provisions of this act?

Mr. SHARP: I see no suggestion that any of them are, except the Mercantile Bank.

Mr. LAMBERT: Yes, but the only point is that it has always been said that this bank shall be controlled by Canadians and all that means is controlled by residents of Canada.

Mr. SHARP: That is right.

Mr. LAMBERT: Now, there is another point that I want to make. The continuation of the present Bank Act expires about the first of April or thereabouts. I take it that the Minister is aware of the provisions of the bill that was proposed by Senator Javits in the 89th Congress and which I understand has or is about to be re-introduced. I am sure that the Minister is aware of the provisions in clause 6, subclause (b) where it states in part—and this is from the Javits bill—

If at any time, the foreign government under whose laws the parent bank of the agency, branch, or controlled subsidiary is organized, changes its laws or regulations affecting United States banks operating thereunder directly or through subsidiaries the Comptroller of the Currency shall have authority to impose the same conditions upon the foreign banking corporation or its branch, agency, or controlled subsidiary operating within any State.

It is theoretically possible that this act or one similar to it, with this particular provision, could be passed by the time the new Bank Act will have come into force, and I am wondering what cognizance has been taken of this possibility by the Minister in his arriving at the decision that he would defer to some later date, after some months study, legislation that would permit agencies of foreign banks to operate in Canada.

Mr. SHARP: I have not studied the provisions of the Javits bill, which, incidentally, is for the purpose of encouraging the operation of foreign banks in the United States under some sort of uniform rules. That is the purpose of the bill.

The section to which Mr. Lambert has referred is the limitation upon this or one of the qualifications, the qualification of reciprocity, which is not mandatory but, as he had read it, permissive. I would not say that I had the Javits bill particularly in mind in suggesting that we should over the next few months have a good look at the question of agencies, but I did say in my opening remarks that I felt that it would be desirable to make the decision after we have had a chance to reflect upon developments both in Canada and abroad.

Mr. LAMBERT: Of course, I think the Minister is quite cognizant that among all the flowers and the ease, there are these bricks that one can stumble on.

Mr. SHARP: As Minister of Finance, I am more conscious of this than any other member of the House of Commons.