

be, this is not the way I would go about it. I would not want to go in by the back door in this way. If I thought that it would be in the public interest for the government to go into the banking business, I think we should establish our own bank.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): I have no objection to that at all. It was my idea to solve this other problem.

Mr. SHARP: Yes, but I do not think that it would be desirable to take this sort of a decision on the basis of trying to clear up a situation that can be cleared up, in my judgment, by sensible action on the part of the owners of the bank.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): Excuse me Mr. Minister, may I add a supplementary question. Surely you realize that no matter what the views may be of those who control the first National City Bank, this outcome cannot be achieved unless the Parliament of Canada alters the legislation that is before us, or unless—and I think this is extremely doubtful, as do other members of the Committee—you are able to persuade the citizens of Canada to invest in the Mercantile Bank as it is at present constituted under the possibility of continuing restrictions. It is not merely up to the National City Bank.

Mr. SHARP: If I may say so, it is possible within the legislative framework now before us to enable the National City Bank to dispose of 75 percent of its shares over a reasonable period of time without altering any of the provisions of the Act as they now are. However, the problem of policy has to be taken into account too. The framework for a solution to this problem is to be found within the bill that is before you and the Bank Act as amended.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): Well, Mr. Minister, the provisions in the bill before us which permit the Bank of Western Canada to have a clear ten year divesting period do not apply to a bank with foreign ownership, and I cannot see how the bill, unless it is amended, will achieve the purpose you suggest.

Mr. SHARP: I am not suggesting by my answer that it might not be found desirable to make a minor change or two in the bill to facilitate sale of shares. All I want to say is that it is possible within the present Act for a successful offering of shares to be made, in my judgment.

The CHAIRMAN: I will now recognize Mr. Lambert, followed by Mr. More.

Mr. LAMBERT: There are two points I would like to raise, Mr. Chairman. First of all, in connection with the requirement that no more than 25 per cent of its issued shares are held by any one resident or non-resident shareholder, as provided for under clause 75 (2) (g), and again, under clause 53 (1) (a) and related subclauses, just what is magical about a resident being a Canadian? There has been a good deal of sales to Canadians but I can be a resident of this country and not be a Canadian.

Mr. SHARP: Yes. This word has been used loosely; what is meant is resident.

Mr. MACKASEY: Could you not own it if you lived out of the country and were a Canadian citizen?

Mr. SHARP: It would not apply to a Canadian under those circumstances, and it might be that some non-Canadians who would be residents of Canada would