

10 or 12 per cent of the shares—some mighty man might—and drops dead to-morrow, are you telling me that the shares can only be sold to Canadians?

Mr. ELDERKIN: No. There is a provision in the act for an inheritance.

Mr. MACKASEY: Of course I am thinking of the amendment now.

Mr. ELDERKIN: It is a good point, Mr. Mackasey. I do not think this would obstruct the transfer of inheritance, because inheritance is spelled out in the act. I am glad you raised it, because I would be very pleased to discuss it with the draftsman and the Department of Justice.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): Because of my ignorance, I suppose, I am not quite sure how this proposed amendment is going to answer the point that was raised by Mr. Fulton earlier. Or does it? Is the Minister relying on an agreement with, we will say, the National City Bank, if they get authorization to increase the capitalization? I do not see any way in which these shares can be forced out of the treasury of the company.

Mr. SHARP: We are talking about a hypothetical situation, but I could imagine circumstances under which the National City Bank could come to the government with an application for an increase in capital, complete with a firm underwriting agreement to dispose of the shares that would be created by the increased capital.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): I think this would probably be a prerequisite to action by the Governor in Council.

Mr. SHARP: Yes. I do not want to be held to that, but it certainly is one way in which the government could insure that the shares were in fact sold to Canadians or to residents.

The CHAIRMAN: Are there any further comments or questions.

Mr. LAMBERT: Reverting to the point, I think somewhere an arbitrary yardstick is going to be required. I can think of a case where a bank would stay close to the limit, anywhere between 20<sup>th</sup> and 25 per cent of foreign ownership, and a substantial Canadian shareholder dies, leaving by wills shares to a non-resident. What then, Mr. Elderkin?

Mr. ELDERKIN: Again it is the point that I think has just been raised by Mr. Mackasey; I think it was well raised and we should look at the question of inheritance. There is a clause in here on inheritance anyway—a freedom of transfer, but this particular amendment that is now being discussed might inhibit that clause and I would like to discuss it with Justice to see that it does not.

Mr. SHARP: One of the reasons that we were a little hesitant at this stage to bring forward a draft was that there might be points to consider that might come out in the course of this Committee's discussions.

The CHAIRMAN: If there are no further questions or comments on the amendment that has been proposed, even though it is only in outline form, I would like the Minister to present the next amendment that he has in mind.

Mr. SHARP: Mr. Chairman, the next amendment, which again I am going to propose in principle, relates to the limitation in the bill upon the right of