

Mr. MACKASEY: Let us say that they are insidious, they do not set up a corporation. Let us say that the stakes are high enough—and I am not just referring to Mercantile, but to anybody—why do we not tighten it up by saying “citizen” instead of “resident”? How do you define “resident”?

Mr. ELDERKIN: I think “resident” actually means resident address; ordinarily resident in Canada. This was very carefully discussed in the drafting of this bill. If you tried to prove how many of the many thousands of shareholders are actually Canadian citizens it would be a pretty onerous job and possibly almost impossible to prove. We finally decided to adopt the word “resident”, and this means ordinarily resident in Canada.

Mr. MACKASEY: Suppose you have a senior citizen who, at the age of 65, decides to go to Florida for reasons of health.

Mr. ELDERKIN: He becomes a non-resident.

Mr. MACKASEY: He is discriminated against to the extent that he must comply with this law.

Mr. ELDERKIN: He becomes a non-resident.

Mr. MACKASEY: So, has fewer privileges than a resident who may have an address in Montreal and comes up here twice a year on a fishing trip.

Mr. ELDERKIN: No, he has to be ordinarily resident in Canada.

Mr. MACKASEY: Yes, but we do not define it.

Mr. ELDERKIN: Yes, we define it.

An hon. MEMBER: The clause defines it.

Mr. SHARP: The same problems arise with the taxing legislation. We have to decide what a resident or a non-resident, is for purposes of assessing tax.

The CHAIRMAN: I gather the term “ordinarily resident in Canada” has been interpreted by the courts over the years, particularly with reference to income tax law.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): May I ask a supplementary?

The CHAIRMAN: Yes, if Mr. Mackasey will yield.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): I just want to get clarification from the Minister of his answer to Mr. More that it would be possible to resolve this problem within the confines of the legislation which is presently before us. Am I right in assuming that the two methods that the Minister has in mind of resolving this are, (1), the use of the powers of the Governor in Council to authorize expanded capital and, (2), the rather more hypothetical proposition that there would be enough Canadians prepared to buy shares while this act is in effect? I am quite puzzled to know how the Minister can take the position that without amendment this act can do what he is suggesting can be done, and without quite serious amendment as far as the Mercantile Bank is concerned.

Mr. SHARP: Mr. Chairman, this is why in one of the interjections I made and, indeed, at the opening of my testimony, I said that I proposed to amend the bill by proposing a restriction on the transfer of shares of a bank to a non-resident when more than 25 per cent of the shares are then owned by one non-resident. I am going to propose that any such transfers must be to a resident. The bill,