

Mr. SHARP: Well, Mr. Chairman, the interview that I had with the representatives of the Mercantile Bank did not in itself lead anywhere at all. As I said in the House, we simply reviewed the position. Since that time there has been communicated to me indirectly certain ideas but these are not yet of a form and are not as precise as the honourable member has suggested here. Therefore, I do not feel that I can speculate about them. I must give answers that will not lead to any speculation as to the policies of the government—

Mr. MORE (*Regina City*): I think I would be satisfied, Mr. Sharp, if you could tell me whether the bill, if it is passed in its present form, would permit the proposition I put to you. This is really what I would like to know.

Mr. SHARP: Under certain conditions the proposition you have put forward could be carried out without any amendments to the act, but that proposition has not even been put to me indirectly.

Mr. MORE (*Regina City*): I am not suggesting it was. It came out of my own head. I just wanted to know if the bill would negate any operation of that kind.

The CHAIRMAN: I now recognize Mr. Laflamme followed by Mr. Mackasey.

Mr. LAFLAMME: I have a supplementary question relating to clause 75 (2) (g). Is there a possibility, Mr. Sharp, that the limit could be extended, say, to December 31, 1967, for Mercantile to be disposed of to the extent of 25 per cent of its shares? I realize there are deposit accounts to July of 1966, and where it is still—

Mr. SHARP: I cannot really answer that question other than to simply say that we would consider such a suggestion. However, we have not made any decision of that kind that I am in any position to communicate. In any event, parliament would have to decide whether it wished to allow more time for the developments to take place. I cannot answer the question as to whether I would be disposed to favour such an extension of time because this matter has not been considered by the government, and I am speaking here for the government.

Mr. LAFLAMME: Is it possible for the Mercantile Bank to have an increase in its authorized capital before it disposes of its shares?

Mr. SHARP: Yes, there is no limitation, either in the present bill or in the act as it now exists, upon the right of the Treasury Board or the Governor in Council to increase the capital of any bank. That is solely within the discretion of the Treasury Board or the Governor in Council.

The CHAIRMAN: I now recognize Mr. Mackasey followed by Mr. Thompson.

Mr. MACKASEY: Mr. Sharp, I am a little concerned about the word "resident" as opposed to "citizen". Theoretically, why could not the present owner of Mercantile transfer 10 per cent of the shares to particular people and set them up in Windsor, for instance? In other words, how do you define "resident"?

Mr. SHARP: Perhaps I can refer this to Mr. Elderkin. He is a much more expert witness on this than I am.

Mr. ELDERKIN: That situation will be covered by the associate clause in the act where, if they set up a dummy corporation, et cetera, in Windsor, if you will, under the act it would be an associate of the National City Bank and it would be considered as one shareholder for that purpose.