

place this discretion in the hands of the Government. During the debate in the house in these last few days two or three members had drawn attention to this possibility, and I was very happy indeed when the amendment was moved that would give the Governor in Council the authority to extend the date between 1967 and 1972. This was not in any way contrary to the views of the Government, and there were no changes made in principle either at the time that date was extended for five years or when the change was made to give the Governor in Council some supervision over the extension of time.

Perhaps I should add for clarification that providing the Mercantile Bank does act in good faith, that is with the intention of selling shares to Canadians, and that they are using the time for the purpose for which they asked the extension, then permission to extend the time will not be unreasonably withheld. I said in the committee and I reiterated that I believed that it was not an unreasonable request on the part of the Mercantile Bank, and I am still of that view. In accepting the amendment that was made yesterday, I did so simply to ensure that the time was used for the purpose for which it was asked.

The CHAIRMAN: What you envision, then, is that first of all there will have to be a meeting and some action by the Governor in Council on or after December 31, 1967.

Senator McCUTCHEON: Before.

Hon. Mr. SHARP: Long before.

The CHAIRMAN: The bill says:

..... enables the bank to exercise, directly or indirectly, effective control of a trust or loan corporation, the Minister may by order require the bank to divest itself of those shares in that corporation within such time as the Minister considers reasonable and the bank shall sell or dispose of such shares within the time prescribed therefor by the Minister.

Senator McCUTCHEON: As it stands now it has to be corrected before 31st December.

The CHAIRMAN: But then, Mr. Minister, having corrected it so that it is embarked on its way with proper attention to the order of the Governor in Council, what is the significant date? Is it possible that at some time you could say, "Well, you can maintain your position as it is, even though it does not comply with the formula, until December 31, 1969?"

Hon. Mr. SHARP: It is possible. There is no limit in the amendment as I understand it. They could make an extension for one year, two years, three years, four years or even five years, but of course five years would be too long because it would be completely against the intent of the amendment.

Senator McCUTCHEON: Then having given the company until December 1969 you might change your mind, say, in the middle of July 1969?

Hon. Mr. SHARP: Theoretically that is correct.

Senator McCUTCHEON: You have always to keep in mind the view that the operation would have to be curtailed, and as a result you get into the position where the company has to sell its shares to Canadians at a price that is reasonable having regard to the bank's position, and reasonable having regard to the fears of Canadians that the guillotine may come down.

Hon. Mr. SHARP: It was for this reason, Mr. Chairman, that I did not originally ask for the amendment because I thought that if I asked for it there might be some such suspicion. As I say, I was happy however when the house decided that this was a reasonable precaution.

Senator FLYNN: What would you say would be the minimum delay you would give the banks in setting a date? Would you say three months from now, six months from now?