

He had informed Mr. Lawson that he felt the government should not accept the common shares. If, however, the promoters desired to do so, the shares might be transferred to a trustee to hold them for delivery on demand by the Canadian government. However, until the scheme was operating satisfactorily, he felt the government would not wish to be vested with the title in the property and that no attempt should be made to get the benefit of exemptions from any taxes the owners of other office buildings had to pay in the United States.

44. In the course of discussion, the following points emerged:

(a) There was no legal exception that could be made to the use of the name suggested, but, in the past, people had been discouraged from using the name of a country or of royalty when incorporating a company. The name appeared to be a good one, and, whether or not approval was given for its use, the building would no doubt come to be known as "Canada House".

(b) The promoters had been told not to expect the backing of the government but that the government would be prepared to become tenants in the building at competitive rates. Rentals would probably be lower than those now paid for space in New York and ultimately the government would become the owner of the building.

(c) It would be desirable to examine the taxation implications of the proposal in the Department of National Revenue, particularly since there was no precedent for such a proposal.

45. The Cabinet noted the report of the Secretary of State for External Affairs on the proposal for a building in New York, to be financed by certain Canadian citizens, for the purpose of establishing a Canadian centre and agreed:

(a) that the promoters be informed there would be no objection to the use of the name "Canada House (New York) Ltd." provided the articles of incorporation were satisfactory, but the government could not accept ownership of the company's common stock; and,

(b) that the financial and taxation aspects of the proposal be examined by the Minister of National Revenue.

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