

Mr. MEIGHEN: I beg to move:

That the word "twenty-one" in lines 19 and 23 of page 16 be struck out and the word "thirty" substituted therefor. Also that in line 41 of the same page the word "September" be struck out and the word "January" substituted therefor; and that in line 42 of the same page the word "seventeen" be struck out and the word "eighteen" substituted therefor.

Amendment agreed to.

Mr. MEIGHEN: I beg to move:

That the word "seven" in line 35 of page 18 be struck out and the word "fourteen" substituted therefor.

Amendment agreed to.

Mr. A. K. MACLEAN: Referring to page 17, subsection 4. We have no provision in the Canada Companies Act with reference to allowing commissions or discounts, but there is such provision in the English Act. It permits a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally. Of course you could sell mortgage bonds at a discount, and you might always be able to sell debenture shares at a discount.

Mr. MEIGHEN: I believe there is a corresponding provision in our Act.

Mr. R. B. BENNETT: We use in some instances the word "bonds," and in others the word "debentures." "Bond," of course, is not as common a word in England as it is here. In the United States the word "bond" is used in preference to the word "debenture." I do not think we should get away entirely from the use of that word "bond."

Mr. A. K. MACLEAN: The interpretation clause includes "bonds."

Mr. MEIGHEN: A commission may be paid on all bonds and debentures, but not on shares.

Mr. A. K. MACLEAN: Have we a section in our Act permitting the sale of shares below par?

Mr. MEIGHEN: This does not refer to shares, but to bonds or debentures.

Mr. CURRIE: If this clause passes, the underwriting agreements for the taking of bonds would have to be filed with the provincial secretary, and I do not think the banks would approve of that. Such information has never been disclosed in any country in the world.

Mr. MEIGHEN: I understand that the Bankers' Association have thoroughly scrutinized this clause, and have no objection to it.

Mr. CURRIE: Is there a Companies Act in Canada or anywhere else which compels one to disclose the amount of commission paid on the sale of debentures or bonds?

Mr. MEIGHEN: There is such a provision in the English Act, and in the British Columbia Act.

On section 69C—Filing of accounts of receivers and managers:

Mr. R. B. BENNETT: This subsection runs concurrently to some extent with the provisions of the law relating to the receivers or officers of the courts. The receivers, being officers of the courts, have to account, of course, to the courts for the receivership. It would seem to me that all the Secretary of State might reasonably ask would be the filing with him of all such accounts as were regarded as necessary by the courts of the province in which the receivership was taking place. I do not think we should put them to the expense of doing too much of that sort of thing.

Mr. MEIGHEN: This receiver stands in the position that the debenture holder does; he is not a liquidator appointed by the court at all.

Mr. R. B. BENNETT: I had occasion only once in my life to work out the provisions of the law in a case in which the debenture holders took possession. It was under an English trust deed. We did not have a liquidator—only a receiver—and the receiver was an officer of the court. He had to file his accounts.

Mr. MEIGHEN: That is if he is appointed by the court.

Mr. R. B. BENNETT: No, but he took possession for the debenture holders, and under the trust deed he had to go to the court to put himself in proper position. No one would have thought of trying to follow the provisions of the trust deed without going to the court. If he had done so he would have found himself up against all kinds of difficulties and no one would have paid any attention to him. However, I am not going to raise any difficulty about the filing of reports because I think they should be filed.

Mr. MEIGHEN: I do not think this would obviate the necessity under the present law of filing the reports with the court, but when a record of all encumbrances against the company is kept by the

[Mr. R. B. Bennett.]