

Mr. LESAGE: Anyone who is invited to an annual meeting knows what is going to happen regarding the appointment of auditors. The appointment of auditors and receipt of the auditors' report is a matter which comes at each and every annual meeting.

Mr. GRAY: Yes, I realize that, but is that not different from the question of the appointment of an auditor who may be a director, officer or employee of the company?

Mr. LESAGE: It would be different if we were dealing with a public company, but this exception is made so as to render it easier for the very small companies by permitting them to select an auditor from the directors, officers or employees in that company. There is also an exception here, that this may be the case if this is not a subsidiary company of another company. It is clearly intended only in the case of very small affairs.

The CHAIRMAN: We are now considering page 38.

Mr. LESAGE: When we were before the Senate subsection 4 of section 5 was amended. This morning I have a further amendment to line 26. This is an oversight which we wish to correct because subsection 4 of section 5 was split by the Senate and paragraphs (d), (e) and (f) were transposed in section 140A, which is a new section. It was therefore necessary to change line 26 to read "(c) of subsection (1) of section 140A". This is only a typographical error which we want to correct.

The other important matter on page 38 concerns the dissolution of companies which fail to comply, for three years or more, with the requirement to file their annual summaries. This regards companies which have died a natural death. We will now be in a position to remove them from the list of active companies.

The CHAIRMAN: The amendment you made is in line 26. Does that not read as it is now?

Mr. LESAGE: It will now read "(c) of subsection (1) of section 140A" instead of "(f) of subsection (4) of section 5".

Mr. MORE: Line 25.

Mr. LESAGE: Line 26.

Mr. MORE: We have two different propositions.

The CHAIRMAN: We already have it.

Mr. LESAGE: It was amended by the printer. It is a clerical error which has been corrected.

Mr. GRAY: This section provides for dissolution of the company by the Secretary of State for failure to file returns, and on page 13 there is provision for surrender of charter.

Mr. LESAGE: Voluntarily.

Mr. GRAY: Yes. I have not seen anything which empowers the Secretary of State to cancel the charter under circumstances similar to those concerning the Hett clinic in Windsor where it is alleged the charter is not being used in a manner consistent with the public interest.

Mr. LESAGE: We will come to that in sections 140A, 145 and 147, where some sections of part I are being made applicable to part II.

The CHAIRMAN: We will proceed to pages 38 and 39. Are there any comments?

Mr. LESAGE: The only comment I have to make is that we were almost the only jurisdiction not providing for amalgamation. We now are providing for amalgamation of companies through a procedure which may be slightly different in its approach to the procedure applicable in Ontario and Quebec, under the draft uniform act, and in many other jurisdictions. However, this was very carefully redrafted, and it permits amalgamation.