

Then it goes on to adduce some of the ideas which I mentioned a few moments ago, and to examine the situation in detail.

I am not making any apology for suggesting to this house that when this bill comes before the committee we should give it approval. I realize that at the moment few changes can be made and I question the wisdom of making amendments at the present time, but I think if the members of this honourable house keep in mind that in one or two years' time changes can be made if necessary, the passage of this bill will help the situation not only in my own province and all the Atlantic provinces but in Canada as a whole.

On motion of Hon. Mr. Pearson, debate adjourned.

### CANADA CORPORATIONS ACT

#### BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. W. Ross Macdonald for the second reading of Bill S-51, to amend the Canada Corporations Act to facilitate the incorporation by letters patent of corporations without objects of pecuniary gain.

**Hon. Jacques Flynn:** Honourable senators, we are all indebted to honourable Senator Ross Macdonald for the clarity of his explanation in connection with Bill S-51, which suggests some amendments to the Canada Corporations Act relating to corporations without share capital.

As the honourable sponsor has said, the purpose of this bill is rather simple. It derives from the fact that the provisions concerning the incorporation of corporations without share capital are restrictive in the words "in more than one province of Canada" and have led to the conclusion that a corporation which did not operate and/or did not intend to operate in more than one province could not be incorporated under the then Companies Act and had to secure incorporation through a special act of Parliament. Section 1 of the bill deals with this matter in removing these words and substituting the words "to which the legislative authority of the Parliament of Canada extends..."

The occasion has been taken to apply to these corporations without share capital some provisions which apply to corporations with share capital concerning the use of the English and French versions of their names;

and, at the same time—this is the third purpose of this bill—to allow the continuation by letters patent under Part II of the act for corporations without share capital which were incorporated by special act of Parliament.

The mechanism of the amendments will be studied in committee, and this is a good thing, but may I make this one comment, that I am interested in the principle that is embodied in section 147B, which allows the continuation by letters patent or provides the application of the Corporations Act to corporations without share capital which have been incorporated by special act of Parliament.

It seems to me this is a good idea, and one that possibly should be studied further and applied in many more cases to corporations with share capital which have been incorporated by special act of Parliament. I have in mind, for instance, the special case we studied earlier this year, the act respecting the Interprovincial Pipe Line Company. This is a corporation which has been incorporated by special act of Parliament. It had to come to us merely to change its capital structure. I do not see why, once Parliament has incorporated a company for specific purposes, this company would have to come back to Parliament to change, for instance, its name or its capital structure. In my view it should be sufficient in a case like this for the corporation to seek permission to split its capital structure, after having first obtained the concurrence of the Superintendent of Insurance or whatever other body might be concerned with it, through supplementary letters patent.

Therefore, when this bill goes to committee, I intend to inquire of the officials of the department regarding this suggestion that an amendment could be brought into the Corporations Act embodying the same principle and applying it to some other corporations incorporated by special act of Parliament with share capital.

This bill seeks to remedy an omission that occurred when we reviewed the Companies Act two years ago, because at that time the problem existed. It was simply omitted; but at the same time I suggest that maybe this other problem I have underlined was also omitted and may be remedied in the future.

**Hon. A. K. Hugessen:** Honourable senators, I think the principle of this bill is one which deserves our support, because what it really will do, if it is brought into effect, will be to