

Mr. TIMMINS: If there has not been a decision we are not just codifying the law, we are making new law.

Mr. BENEDICKSON: Parliament considered this when they passed it originally and we have not time now to go into the intricacies of it. Why not let the courts decide it? Let us not introduce new law in haste. This bill passed first reading on the 8th of June but somebody has seen fit to introduce something new and we are told by some of our constituents that it involves something different from what parliament previously decided. I think we would be safer in leaving the law as it was when parliament last had opportunity of discussing it thoroughly. If there is any dispute let us leave it. There are those who favour one side and those who favour the other and at a later date there will be an adequate time, when we are not under pressure as we are now, to discuss any enlargement of the law that might be involved.

Hon. Mr. ABBOTT: I should perhaps point out the union of co-operatives requested this clarification of the law as far back as last winter.

The CHAIRMAN: You have heard the amendment of the minister, you have had it explained and there has been a full discussion. Are you ready for the question?

Mr. FULTON: I want to ask one question. Can an ordinary corporation take advantage of this amendment which is now before the committee? Is it permitted by company law as it exists in the case of a dominion company or of companies incorporated under provincial companies acts to pass such a by-law as is contemplated under subsection (e) to take advantage of this amendment?

Mr. JACKETT: I have not formed any final opinion but my thought would be a by-law such as contemplated here would not have any legal effect, be it passed by a co-operative or corporation, unless it was specifically authorized by the incorporating statute. If it was so authorized it would be valid just the same as if the co-operative had special legislative permission.

Mr. HACKETT: There is no provision for it in the Dominion Companies Act or in any dominion company or provincial companies act of which you are aware?

Mr. JACKETT: I have not found it in any co-operative act although I am told it is contained in at least one.

Mr. FULTON: I take it you mean the articles or memorandum of association?

Mr. JACKETT: I think it would have to be in the statute under which the company was incorporated.

Mr. FULTON: The powers of the directors to do the things which occur in a company are outlined in its memorandum of association which is drawn pursuant to the Companies Act in the province in which the company is incorporated and therefore the powers given to a corporation and its directors are limited to the things open to it which are specified by the Companies Act. The question is could a company incorporated either in provincial or dominion statute which you have knowledge of make such a by-law as is contemplated in this amendment?

Mr. JACKETT: Offhand I would think not. I think the same thing would apply to a co-operative incorporated under the Co-operatives Act unless the Co-operatives Act had a special provision authorizing it to include that in its memorandum of association.

Mr. FULTON: Then what is the purpose of this amendment?

Mr. JACKETT: Such a provision, I understand, is in the Act of one province.

Mr. FULTON: What province is that?

Mr. JACKETT: I understand it is in the Saskatchewan Act. I have not seen it. There is nothing to stop it being put in other Acts or in the Companies' Acts.