

that the members of the Board of Governors shall get an indemnity for each meeting—so we can assume there will be meetings—then by subclauses (3) and (4) of clause 4 it is required that nine members shall constitute a quorum of the board, and that a vacancy on the board does not impair the right of the remainder of the membership to act. By subclause (5) the board may make by-laws respecting the calling of meetings and the conduct of business. What rather confuses me is why that is all spelled out in the first Part, and no reference is made to it in the second.

Senator HAYDEN: I think there is an explanation. I think the explanation is that Part II, under the outline of organization, is more in line with what you would find in an ordinary commercial company that you would incorporate under the provision of the Companies Act. You put in the by-laws how the directors meet, and such things; that is intrinsic organization. But this other body under Part I is a regulatory body, a public body, and therefore you must outline very clearly and specifically how they are to proceed so that everything is clearly before the public, and there is a ritual you must follow. There is a clear distinction between the two.

Senator BURCHILL: May I ask a lawyer a question? In your opinion does section 28 do everything that Senator Hayden has suggested a private company does in the matter of by-laws?

Senator HAYDEN: Under section 28? I would say that in any of the larger companies, where they have a provision for an executive committee, the substance of authority is contained in the Companies Act, which permits the establishment of an executive committee, which may be done by by-law. Then the company enacts the by-law setting out the terms under which the committee may be formed. But you do not put the provision for an executive committee in your charter.

Senator BURCHILL: Does this section 28 do all that?

Senator HAYDEN: Yes.

The CHAIRMAN: The only distinction, Senator Burchill, would be that in the case of a private corporation there are some things that an executive committee cannot do, such as allot stock or vote to wind up the corporation. Neither of these is applicable in this particular case.

Senator BRUNT: The bill to amend the West Coast Act provides for an executive committee.

The CHAIRMAN: Yes. It is common practice.

Senator BURCHILL: I agree, but in any company I have had anything to do with the duties and powers of the executive committee are outlined and specified in the by-laws.

Senator HAYDEN: That is right.

The CHAIRMAN: That is what will be provided for by the corporation by resolution under section 28. The corporation has powers to appoint an executive committee with such powers as the resolution shall designate.

Senator MACDONALD: What surprises me is that these provisions are not contained in the first Part. As Senator Hayden says, these provisions are usually in the by-laws. But in the first Part they are set out in quite considerable detail.

Senator HAYDEN: I suggested the reason, too.

Senator MACDONALD: I think probably the reason could be applied to the second Part. It would be equally strong if applied to the second Part and, probably, not applied to the first Part. I did not raise this point for the purpose of amending section 28, but merely to bring to the attention of the committee the difference in these two Parts. I thought I might get an explanation, but I can't say I have received an explanation.