

companies. To give you a better understanding of the situation, I shall be happy to summarize the history of these two companies and the facts leading to the cancellation of their charter.

Montilac Ltd. and Socam Ltd., each having its principal place of business in the City of Laval, in Quebec, were incorporated on March 4, 1963 and September 18, 1963 respectively, for the purposes and objects set out in their letters patent.

Montilac Ltd. is a small commercial loan company and—
[English]

—Socam Ltd. is a holding company that receives and collects on behalf of doctors who are anaesthetists.

[Translation]

In 1976, the accountants of these two companies submitted their respective income tax returns to the Department of National Revenue, but the department refused these returns on the grounds that both companies had been dissolved in 1967 for failure to file with the Department of Consumer and Corporate Affairs, for three consecutive years, the annual information return required under the Canada Corporations Act.

Following some inquiries it was proven that the notices requesting filing of annual returns had not been brought to the attention of the directors and officers of the companies, but had instead been sent to the lawyer who had acted on behalf of the promoters of both companies when they were incorporated. As this lawyer had retired from practice, the companies had never been informed of these notices.

Of course, the notices were also published in the *Canada Gazette* in June 1966 but were not seen by the officers of the companies, and consequently the directors never learned that the companies had in fact been dissolved and they continued to carry on the business of the companies.

In May 1976, the public curator of the Province of Quebec, as provisional administrator, assumed responsibility for the assets of both companies, pursuant to section 12 of the Public Curatorship Act. To re-establish the legality of the companies, the petitioner, Roger Gagnon, now requests that both companies be revived and be deemed not to have been dissolved.

This being a private bill, it is up to the appropriate Senate committee to examine the allegations of facts as set out in the preamble of the bill and, if everything seems in order, to take the necessary action to approve this bill.

[English]

Honourable senators, there is some urgency in this matter. If these companies are not revived before December 15, 1980, they will face a second statutory dissolution. Under section 261(3) of the new Business Corporations Act every company previously incorporated under the old Canada Corporations Act must be continued under the new act within five years after the coming into force of that act. The five-year period commences on December 15, 1980.

I would therefore propose, if and when second reading is given, to ask that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs for examination of the allegations.

I would also propose to ask that rule 95 be suspended in relation to this bill. Rule 95 is the one that states that a private bill originating in the Senate cannot be considered by a committee until one week after the date of referral to the committee. I understand that the Standing Senate Committee on Legal and Constitutional Affairs has a meeting scheduled for tomorrow morning to examine Bill S-12, respecting the Canadian Merchant Service Guild, and if so authorized by the Senate could at the same time examine Bill S-13.

[Translation]

Senator Deschatelets: Honourable senators, would Senator Leblanc allow a question?

Senator Leblanc: Certainly.

Senator Deschatelets: Senator Leblanc has given us rather comprehensive reasons concerning the federal government department. If I am not mistaken, these two companies started their operations in 1963 and in 1967, and a notice was given which never came to the knowledge of the two companies.

Could he tell me more about what he said about the public curator who at one time tried to recover the holdings of these companies and tell us also how and why the public curator got involved with these two companies?

Senator Leblanc: In fact, it is a law of the Province of Quebec, the Public Curatorship Act, according to which after some time the Public Curator of the Province of Quebec is allowed, as interim administrator, to seize the goods and assets of companies officially dissolved. The public curator, pursuant to section 12 of that act, takes over the holdings and assets of the said companies.

Senator Deschatelets: Were the two companies in operation at that time?

Senator Leblanc: Both companies were and still are conducting operations, at least up to that point where they learned they were dissolved.

I therefore move that the bill now be read the second time.

[English]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Senator Leblanc moved that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.