

an Catholic bishops—"episcopal corporations", and the other five incorporate offices of equal stature in other churches.

Public offices are also occasionally given the legal structure of a corporation sole by statute. Thus, the Governor General's Act creates a corporation sole of that office. Section 5 of the Veterans Land Act provides that the director is a corporation sole for certain purposes. In Ontario the office of Lieutenant Governor was made a corporation sole by provincial statute in 1980.

Honourable senators will recall that during the debate on second reading of this bill a few senators voiced strong opposition to the application because of the nature of the activities of Opus Dei in Canada and elsewhere. Similar objections were expressed by some members of the committee during its study of the bill. However, as chairman of the committee, I felt that it should confine itself to the legal aspects of the application for incorporation.

In approaching this issue, the committee found that there were few precedents and no statutory guidance. Honourable senators may recall that previous governments drafted and tabled legislation in the late 1970s and again in the early 1980s that would have modernized federal corporation law for non-profit corporations and put in place certain standard requirements. Unfortunately, that legislation—there were three government bills originating in and passed by the Senate and at least one in the House of Commons, Bill C-10 in 1980—all died on the order paper. Since that time there appears to have been no movement to bring in successor legislation. The current statutory framework for non-profit corporations is simply inadequate. It does not even contain provisions specifying accountability and disclosure requirements.

These questions arose in relation to Bill S-7. The committee noted the lack of financial disclosure requirements in the bill, and therefore devised and passed amendments requiring the corporation to file with the Department of Consumer and Corporate Affairs annual financial statements that would be publicly available. The committee considered these to be minimum requirements. The applicant indicated to the committee that he had no objection to such amendments.

Because Opus Dei has operated for a number of years under general corporation law, the Regional Vicar explained why the organization is seeking incorporation by private bill as a corporation sole rather than under the Canada Corporations Act as a federal non-profit corporation with the usual three-member board of directors. He asserted that the office of regional vicar was analogous to that of a bishop and that, since the corporation sole had been used from time to time to incorporate the office of bishop, the office of the regional vicar should be dealt with in the same way. The argument advanced by the petitioner to the effect that a corporation sole was needed to conform to the requirements of canon law was not regarded as persuasive. It was felt that applicants for corporate status should adhere to the principles and requirements of general application to all non-profit organizations. Unfortun-

[Senator Neiman.]

nately, as I have said, those requirements have not been set out in a modern context in statutory form.

As I mentioned earlier, the 20 previous corporations sole created by private act related directly to religious institutions at the level of a bishopric. The Regional Vicar stated that his office was analogous to that of a bishop, although the petition stipulated that the institution is "secular." The committee felt that the use of a corporation sole in this case might extend what has been until now a very limited use of this unusual legal device, and several members were uncomfortable with such an extension.

In the result, and despite the misgivings expressed by various committee members, which misgivings are caused by the lacunae in our corporate law, the committee has passed Bill S-7 with amendments.

However, I wish to advise honourable senators that there was complete unanimity in the committee that Parliament should no longer be required to act in the sort of statutory vacuum that appears to exist with respect to corporations sole.

Whatever the decision of the Senate might be with respect to Bill S-7, the committee has instructed me to request the Senate to advise the government in the strongest possible terms to proceed as quickly as possible with new legislation respecting the incorporation of non-profit and religious organizations. Furthermore, in doing so, the government should consider very carefully whether there is any continuing justification for the type of corporation sole considered here. If the government decides there is still such a necessity, then it should set out in the new legislation all the necessary safeguards and limits upon its use.

[Translation]

Hon. Rhéal Bélisle: Honourable senators, Bill S-7 has been before the Senate since April 2, 1987, nearly fourteen months. I opened the debate on second reading on April 7, 1987, when a long series of adjournments began.

● (1450)

[English]

Senator Neiman: Honourable senators, I understand that other senators would like to speak to this at the report stage before the debate is closed. I believe someone would like to take the adjournment of the debate.

Senator Bélisle: Honourable senators, I am speaking on the report just tabled by the chairman of the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Philippe Deane Gigantès: Honourable senators, on a point of order, if Senator Bélisle continues speaking—where is Senator Flynn? I would like to display my ignorance in his presence.

Hon. C. William Doody (Deputy Leader of the Government): That is all right, we can accept it.

Senator Gigantès: If Senator Bélisle now speaks, does this close the debate?