

a statement of policy. It is not intended to be a statement of policy. Maybe your suggestion is the best one, to partly adopt the principle of section 117 so that subsection 121F would not look like a statement of policy.

Mr. MOREAU: You are perhaps quite aware that the Ontario government at least has been asking the Kimber commission to look into these problems. I know submissions have been made on this particular point. Considerable concern has been expressed by a lot of companies about the lack of public information, and I think certainly the Ontario jurisdiction appears to be heading towards greater disclosure. I would hate to see our federal Companies Act moving in the opposite direction.

Mr. LESAGE: We gave the appearance of moving but we are not. If we can satisfy your worry to a great extent by redrafting this section—and you are not the only one to have this worry—then I would agree entirely to a redrafting along the principle of section 117. If you do not mind, we could work this out after the meeting together with Professor Williamson, and this would comprise a similar amendment to section 125A(2). I think there is a lot of merit in the view you have expressed and I think we can work out the wording. Of course we will have to take advice on this because I am only a representative and I cannot change what the government has decided. I will have to discuss this with you and take it to the other officials of the department.

The CHAIRMAN: Are there any further questions on page 34? Any questions on pages 35, 36 or 37?

Mr. LESAGE: Could I say a word on page 37, section 125 which concerns the annual summary that the companies have to make? You will note that we have deleted a number of questions leaving only the essential ones because the subsections we have kept are the only ones which have a practical value. All the other information which was requested under the previous section was, I would say, an undue burden on the companies to disclose details in which no one had any interest. For that reason we have kept it down to what is essential.

Mr. GRAY: Could I go back to page 36 for a moment? Section 123(2) permits the appointment of an employee of a private company under the circumstances in which they find themselves. Is this found in any of the provincial jurisdictions in these terms?

Mr. LESAGE: I think we have taken this from the draft uniform act. I think it comes from other jurisdictions. I do not remember exactly where it comes from. It is not an innovation of the drafters of that bill. This comes from other jurisdictions. We found it very practical and it received unanimous consent that auditors be appointed from among the directors or employees when dealing with small companies.

Mr. GRAY: This section says "upon the unanimous vote of the shareholders of a private company present or represented at the meeting". This is somewhat different from an earlier section. Is not the appointment of an outside auditor a very important protection, especially in a private company?

Mr. LESAGE: Perhaps I could say that the new Manitoba company act has an identical text which says "upon the unanimous vote of the shareholders of a private company." We think that the unanimous vote is usually strong enough. If a person is not there, then it is perhaps because that person is not interested or may not be in a position to sit on the board of directors or to indicate his intention. This would bar the company from taking advantage of that subsection. We think that a unanimous vote passed at a dully convened meeting of shareholders would be sufficient.

Mr. GRAY: Would this not be a question of sending out appropriate material before the actual meeting?