

Mr. EDISON: Our shareholders have approved this particular provision on two occasions. They approved a corresponding provision in the 1958 legislation, and they approved this particular provision that the committee is looking at, in exactly this format, at their meeting in December.

Senator CROLL: If it was provided for in 1958, why did you consult them in 1964? You said that the issue of debentures was provided for without consulting the shareholders in 1958.

Mr. EDISON: That was inserted in the legislation at the time with the consent of the shareholders, but that enabling legislation was limited, as I said, to the \$11 million that was a ceiling which was imposed at that time. We are now dealing with a theoretical situation where the company may wish to issue additional securities.

Senator BOUFFARD: And you have already consulted the shareholders?

Mr. EDISON: Yes, sir.

Senator LEONARD: It may be helpful to the committee to have this information. What percentage of the shareholders were present at the shareholders meetings?

Mr. EDISON: I am very grateful to you for asking that, senator. There were over 80 per cent of the outstanding shares of this company represented at this meeting, and I think that senators who have had some familiarity with company meetings will agree that that is a very large representation. 510,000 represents more than 80 per cent of the outstanding shares of the company.

Senator BOUFFARD: The shareholders have already been consulted?

Mr. EDISON: Yes.

The CHAIRMAN: Is there any further discussion on section 7? Shall section 7 carry?

Hon. SENATORS: Carried.

The CHAIRMAN: Section 8, dealing with ancillary powers, raises two separate questions. I will read the section:

It is hereby declared and enacted that the Company has and always has had as ancillary and incidental to the purposes and objects set forth in the Special Act creating the Company the powers set forth in subsection (1) of section 14 of the Companies Act.

Honourable senators will remember that on second reading Senator Grosart very properly raised a question about this section, that it purported to be retroactive. I think that is something the committee should consider. Generally speaking, I think the Senate is against enacting retroactive legislation. There may be some special reason why they wanted it retroactive in this case. It is conceivable that the company may have been engaging in activities which are not strictly within its charter powers. It may have been threatened with a suit, or something of that kind, and wants to cure that situation and say that it "has and always has had." However, unless there is some situation such as that, I think as a general principle that we should be a little chary about granting powers that are retroactive in that sense. Perhaps Mr. Edison could explain to us the basis for asking for this section.

Senator BOUFFARD: What is the wording of subsection (1) of section 14?

The CHAIRMAN: Section 14 is that long section of the federal Companies Act which gives a number of inherent powers to any company. It has subsections (a) to (bb) inclusive, comprising three pages.

Senator BOUFFARD: Giving all the powers?

The CHAIRMAN: Yes, inherent powers to any company incorporated by letters patent, and this company wishes to have the same powers.