fund. However, where a mutual fund is set up there can never be insolvency, because your interest is a percentage of the mutual fund, whatever may be the amount of the fund. Therefore, we struck out those provisions.

I should tell you briefly that there is an amalgamation procedure in the bill. Its introduction in our federal Companies Act is new—it did not exist before. The procedure permits two or more federal companies to amalgamate. The committee made some changes, and there was some discussion in committee, which I shall relate. The bill as it came to us provided that if two federal companies were going to amalgamate and they settled on their amalgamation agreement, they must call meetings of the shareholders and of the various classes of shareholders of the companies going into amalgamation, and at such meetings called for that purpose 75 per cent of the shares of each class represented must be voted in favour of the amalgamation, or it does not carry.

The bill then went on to provide that after that was done the company must then go to the court, on notice to the dissenting shareholders and on notice to the creditors, to ask the court to sanction this amalgamation agreement. The majority in the committee came to the conclusion that when you are dealing with amalgamation procedures you are dealing with a straightforward commercial transaction, and not something in the nature of compromises and arrangements under the act, where they affect internally the rights of various classes of shareholders in one company.

The committee felt that these procedures requiring an application to the court should be reversed, and therefore we provided by way of amendment that when the shareholders have approved, then it is up to the dissenting shareholders who have at least 10 per cent of the shares of any class to go to the court if they want the court to annul the agreement.

So far as creditors are concerned, the committee felt they were amply taken care of when reference was made to these provisions for reduction of capital in the Companies Act, because if this amalgamation involved any reduction in the capital of the company, the committee felt it was sufficient if they were made subject to the reduction of capital provisions in the Companies Act. Those provisions deal specifically with such a situation and in that respect afford ample protection to the creditors.

In committee we finally came to a vote on which procedure was to be adopted, that is, whether or not the provisions of the bill paralleling the provisions for arrangements and compromises should be followed, requiring the company to go to court—and several senators thought that provision was good and should remain—or whether the provisions which we provided were the ones which should be in force. The view of the committee was that the right given to the dissenting shareholder to go to the court was to be preferred, and that is the form in which it is now before you.

An added view supporting the procedure recommended that there was a close similarity between amalgamation of two companies and one company selling its assets to the other company. Certainly, in the sale of assets by one company to another company there is no provision requiring that you must go to the courts. In some cases a majority of the shareholders only is required where you are selling the undertaking of the company. We felt, in the circumstances, that all the different interests were being amply and properly protected by what we have done.

I should now tell you about the printing of restrictions governing preferred shares. All those conditions under the law must be printed on the back of the certificate. As the ingenuity of man has increased, with his ability to devise and create additional types of preferred and deferred shares and conditions, these conditions became yards and yards long, and the obligation to put them on the back of a certificate required equal ingenuity, very often to the point that the conditions had to be reduced photographically, and the print became so small that a magnifying glass should have been provided with each certificate in order to read it. We agreed to leave in the law the provision requiring the conditions to be put on the back of the certificate, but we added, alternatively, a provision that there could be a notice printed on the certificate to the effect that these shares were subject to conditions and limitations etc., and that a copy of those could be procured without charge from the secretary of the company.

Another question arose of a similar nature in connection with the seal. There was a provision in the bill as it came forward to us, that the English name and the French name of the company must appear on the seal. Knowing how long the names of some companies are, by the time you get both of them on the seal of the company some of them are going to be as big as a pie pan, or even larger. We left that provision in but we added to it, alternatively, that the company might have two seals, which would be equally valid; so the company could have one seal for the English name and another for the French name.

Before I conclude, I should mention a few other matters. For instance, under the fed-