cases it is called the "insiders" or "inside information"—we felt that the information should be available in a convenient way to the general body of shareholders.

We did not feel that this was information which should be published to the public at large, for two reasons. One was that this is more or less to level out the position of the ordinary shareholder in relation to other shareholders who are also officers and directors and who have a commanding stock position with greater access to information. Secondly, if there is any member of the public who for curiosity or for other purposes wants to find out what trading is going on, it is very simple for him—let him invest a few dollars in a share or two, and as a shareholder he would have a right to go in and inspect. We felt in this direction that this was fair enough. We have sections in the Companies Act which deal with the offering of shares to the public and the special conditions that must be satisfied. The matter of dealing with the public, in any event, is more in the provincial field.

Under the heading of Property and Civil Rights, you have the provincial securities commissions where there are elaborate requirements, where shares are to be offered to the public, which must be satisfied.

If the stock is listed, you have also very particular requirements as to the information you must present in listing the shares. Then there is the information you must add from time to time in amending the listing if there are any material changes in the organization or operation of the company. That is why we limited the scope of our requirements on disclosure in the amendment which we submit.

Under another heading in the federal act preferred shares were redeemable or could be purchased or cancelled out of what were called net liquid assets of the company available for that purpose, or if the company made an issue of shares with the intention of using the proceeds to redeem preferred shares that were already outstanding. We had many submissions on this subject. Many of them went to the point that this procedure inhibited the proper functioning, and presented difficulties in dealing with redemption or purchase of preferred shares for cancellation, where you were limited to such redemption or purchase of sales for cancellation out of the net liquid assets of the company.

We had recommendations that this section be eliminated, and provision made for a right of redemption or purchase for cancellation out of capital. Finally, we came to the conclusion that with some revision of section 61, which deals with redemption or purchase of preferred shares for cancellation, and some changes in language, etc., we would leave that section in, but we provided elsewhere in the bill for redemption of preferred shares out of capital. However, it is subject to the conditions in the Companies Act whereby, of course, the redemption out of capital cannot be done in circumstances where the company is insolvent, or where that redemption might lead to insolvency.

When Senator Vien introduced the bill on second reading, he gave some explanation of the provisions dealing with mutual fund shares. The committee felt that some of these provisions required clarification.

May I point out first the difficulty is that when you are talking about a mutual fund share you must consider the question, when is a share not a share? I suppose the answer is: when it is a mutual fund share, because a mutual fund share is a participating interest in a mutual fund which is operated by a company, and it is not in that sense a share of the company. However, over the years that mutual fund operations have been carried on they have used the language of our Companies Act.

You talk about redemption or purchase for cancellation. One of the essential conditions of a mutual fund share is that the holder of that share has the right to present it to the company at any time and at a price which is worked out according to a formula. The company must accept the surrender of it, and at that price. So we defined a mutual fund share in the bill which is now before you.

We also felt, and we had representations to this effect, that since the mutual fund shares now outstanding use the language "redemption or purchase for cancellation" in their letters patent or supplementary letters patent, when this bill becomes law, and the language would be "surrender or acceptance of surrender" of a mutual fund share, we should provide a bridge that would relate the earlier language to the words surrender or acceptance of surrender, which will hereafter be used. Accordingly, we provided that where letters patent or supplementary letters patent contain the words "redemption or purchase for cancellation", they shall mean "surrender or acceptance of surrender of the shares." Thus we have satisfied all representations, we have clarified the procedures, and you now have in the modern sense something that is workable and easily understood.

Then there was a provision in the bill which came to us putting some limitation on when a shareholder has a right to present his mutual fund share to a company and demand his money. The limitation would not permit him to do that when there was insolvency in the