

ance or refusal of conditions upon departmental policies; we think that is the only way in which to do it. If we acted otherwise we would be limiting too much the various possibilities of "stated events." They have to be defined in the letters patent or in the supplementary letters patent.

Mr. GRAY: Where does the act give you discretion to reject applications in respect of some stated events and not others?

Mr. LESAGE: The Secretary of State may issue or may not issue letters patent. There is nothing compulsory upon the Secretary of State. The Secretary of State may refuse to issue letters patent for any reason and without giving any reason; but as a matter of practice the department would never refuse to grant letters patent or supplementary letters patent without giving the reasons to the applicants.

Mr. GRAY: Some things in the act are spelled out precisely, as for example the contents of the financial statements that have to be filed, and so on. If the draftsman of the act was able to be precise with respect to that particular portion of the act, why could not the clause dealing with acceptable events be spelled out?

Mr. LESAGE: It is very dangerous to close the door. We are apparently retaining complete authority, but in fact we are aiming to open the door more widely. If any particular event was not listed, under the scheme you are suggesting it would not be possible for the department to grant letters patent. Under this other type of stated events, which we can not foresee at the moment but which could come as part of a contract between the applicants, we may very well confirm a stated event in a very particular case—by our letters patent or supplementary letters patent. If we were to limit that to a certain type of cases, then we would be barred from granting letters patent confirming a contract between parties, and we want to keep the possibilities broad because that is a very practical arrangement in many instances.

Mr. Chairman, this covers my notes on Professor Williamson's comments.

The only amendment you thought desirable at this moment is being covered, Professor Williamson? If there is something else will you please mention it?

Mr. WILLIAMSON: I would like to refer to section 12(1a) and section 61 which deal with the redemption of preferred shares out of capital.

I would suggest that at least section 12(1a) should refer to section 61 and that it should say where section 12(1a) applies 61 does not.

Section 12(1a) appears on page 7 under clause 10. It states that the letters patent or supplementary letters patent may provide for the issuing of preferred shares with par value subject to redemption or purchase for cancellation out of capital.

Mr. LESAGE: As a matter of drafting, I do not think we can make any reference to it in section 12 because this is the part of the act which describes the possibilities. If such a reference were to be made we would have to say "or in section 49 or in section 61". I would see no objection to "or in section 49 or in section 61".

Mr. WILLIAMSON: I think it is necessary to say that section 12(1a) does not apply where section 61 does apply. What bothers me is that as the sections stand it is not clear that section 61 would not apply when section 12(1a) would apply.

Mr. LESAGE: I would agree with you that some clarification could be made here, and it could perhaps be made by the addition of a subsection (5).

The CHAIRMAN: Are you referring to clause 27 and section 61 which appear on page 17?

Mr. LESAGE: Yes.