

Senator BOUFFARD: When the present bonds were issued you were limited to \$11 million.

Mr. EDISON: Yes, we were limited to \$11 million.

The CHAIRMAN: Shall section 5, as amended, carry?

Hon. SENATORS: Carried.

The CHAIRMAN: Section 6 provides that the directors may establish the terms of any bonds, the interest rate, the maturity date, and that sort of thing. There is nothing special about that, is there?

Mr. EDISON: No, this corresponds to the enabling provision in the 1958 legislation.

The CHAIRMAN: Are there any comments or questions with respect to section 6? Shall section 6 carry?

Hon. SENATORS: Carried.

The CHAIRMAN: Section 7 provides:

No further approval by the holders of shares of the Company shall be required with respect to the issuance of the bonds, debenture stock or other securities authorized by this Act or the terms or provisions relating thereto.

That is the normal corporate practice, as honourable senators know. A general by-law is approved by the shareholders authorizing the directors to borrow money and issue securities from time to time. The directors do not then need any further approval when they exercise these powers. I do not know whether this section is absolutely necessary, but...

Mr. EDISON: The reason why this section is there, Mr. Chairman and honourable senators, is that there is a section in the Railway Act—the Railway Act, honourable senators will realize, was passed many years ago when things moved a little slower—which provides that a company of this kind must get the approval of the shareholders before issuing securities. The Railway Act also provides that a meeting of shareholders cannot be called until after the expiry of 28 days' notice. It has also to be advertised in the *Canada Gazette* and the newspapers. A meeting of the shareholders cannot be called in less time than 35 days, and having regard to the fashion in which the securities market operates it is not possible to arrange terms with underwriters for bonds or debentures to be issued and then have a delay of 35 or 40 days before the terms can be officially approved.

Senator CROLL: What about the vote on December 4, 1964?

The CHAIRMAN: That date is December 5, 1964.

Senator CROLL: What were the proportions for and against?

Mr. EDISON: There were 510,180 shares represented. A proxy came in from a shareholder holding 10 shares which, while it was not quite clear, indicated that he wanted to vote against everything at the meeting. By direction of the chairman that proxy was voted against the approval of the act in the form in which it appears, so that the vote in favour was not absolutely unanimous. The vote was 510,170 shares for, and 10 shares against.

The CHAIRMAN: Ten shares doubtfully against.

Senator SMITH (*Queens-Shelburne*): He lost his deposit.

Senator BOUFFARD: What was the amount of the bonds to be issued at that time?

Mr. EDISON: Originally the total was \$11 million in bonds and debentures, of which approximately \$2.5 million had been redeemed up to this time. There are outstanding at the present time approximately \$8.5 million.