

Mr. LAMBERT: I agree with you, and may I commend for your favourable consideration the provisions in the Alberta companies act with regard to, shall we say, earlier action.

Mr. LESAGE: I thank you. That is the first time it has been suggested. When we come in with a revision of the act, this will be considered.

Mr. NOWLAN: It is in the Nova Scotia act as well.

The CHAIRMAN: We will proceed to page 43.

Mr. LESAGE: In section 147 we see that subsection (4) of section 5 of part I applies now to part II. If the corporation exceeds its objects or powers, it now may be wound up. Mr. Gray referred to a Windsor case where at the moment under the act we have no specific authority. This is what is intended by addition of the words in subsection (4) of section 5.

Mr. LAMBERT: This does not say who will authorize whom to play God. You are dealing with situations in which you say the company is not carrying on in an ethical manner, or in the manner for which it was conceived, and therefore the Secretary of State will have power to go before the courts to have it wound up.

Mr. GRAY: I think what Mr. Lambert is saying contains the answer. If he studies the situation to which I referred, he will find it has been alleged that this type of charter can be used to permit the unlawful practice of medicine, possibly gambling operations, and so on. If you look at the report of the Ontario crime commission, you will see in general terms what I am referring to. I say that the protection is alluded to in your own answer because presumably the people have the right to be represented by counsel and presumably there would be the right of appeal, and so on. I think that would provide the necessary protection.

Mr. LAMBERT: Who would motivate the Secretary of State; who would motivate the registrar to advise the Secretary of State that this application should be made?

Mr. GRAY: It is the same type of motivation as under any act; it is either an official of the department who takes the initiative, or under provincial law the administrative authorities, or ordinary citizens.

Mr. LAMBERT: Why not on a petition?

Mr. GRAY: In the first place, this is not likely to happen if we are talking about the same thing. The medical association, for example, is given sanction under a provincial act, and I would think it would be rather peculiar if the provincial attorney general had to make a petition to the Secretary of State for Canada in some way before he could carry out some investigation leading to court proceedings.

Mr. MOREAU: This appears to be quite agreeable to the Secretary of State. He would have the power to refuse an application for a charter or supplementary letters patent. Would you say that if he is granted that power, he should have some power to initiate action against a company?

Mr. LAMBERT: No. I feel the Secretary of State will do it for a frivolous reason. The permission granted to him is a general one. In some ways I agree with Mr. Gray that there must be a remedy, but I would like to see an explanation of how it will work. Obviously, the attorney general of a province and the Secretary of State would co-operate; I am perfectly in agreement with that. In the same way, the College of Physicians and Surgeons might lay a formal complaint before the Secretary of State to initiate certain proceedings. However, I am asking what will the Secretary of State require to motivate him to go into this type of action?

Mr. LESAGE: Sufficient evidence from anyone who had a complaint, any association or any department, whether it be the department of the attorney general of the province or the provincial treasurer, the health department of a