

Mr. FARRELL: I cannot remember exactly what was done. Shares would be offered to shareholders at 5 to 6 points below the market. I think that is about right.

Mr. MACDONALD (*Vancouver-Kingsway*): Could you tell us, and perhaps it may have come out in the House of Commons already, what shares were offered to employees in the company?

Mr. FARRELL: There has been no share offering to employees. If they were in a position to buy, they, like anybody else, bought on the market. We have no employee plan for selling shares to employees.

Mr. MACDONALD (*Vancouver-Kingsway*): Would the employees be given a chance to participate in share rights in the future?

Mr. FARRELL: If they own shares, yes. They can buy ordinary shares on the market any time, which would put them in the position of receiving rights when the time comes.

Mr. MACDONALD (*Vancouver-Kingsway*): I wonder if the company would consider making it possible for employees to participate in the share rights offered with the issuance of new ordinary shares as a result of this increased capitalization?

Mr. FARRELL: We have discussed that many times. There are times when it would not be to the employees' advantage—for example, when the price goes down, and instead of having a happy employee we would have a very disgruntled one. There are two ways of looking at it.

Mr. MACDONALD (*Vancouver-Kingsway*): Could that not be just left to him? Could the rights not be offered to him, and let him decide whether it is of value to him to take them up, or not to?

Mr. FARRELL: It would hardly be right, I suggest, to offer share rights to the employees unless they own shares already. Consideration has been given from time to time, and we are considering it again, as to whether or not we can make some provision for an employee purchase plan. At the present time we have not one, but there is one under consideration.

Mr. MACDONALD (*Vancouver-Kingsway*): Judging from your explanation, the shares would not be offered to the general public, but would be offered in the form of share rights to existing shareholders?

Mr. FARRELL: Ordinary shares, yes.

Mr. MACDONALD (*Vancouver-Kingsway*): Would the company consider putting the public in an equal position, in respect of acquiring shares in the company, to the existing shareholders?

Mr. FARRELL: I do not know why they should. It is the custom, with all large issues of that kind, to offer rights to the existing shareholders. If the existing shareholders do not want to take them up they can sell their rights. The other people can buy those rights and subscribe to the new shares.

Mr. MACDONALD (*Vancouver-Kingsway*): There would be no opportunity, then, to broaden the ownership of the company?

Mr. FARRELL: Every time we have an issue the business is broadened because a great many of the old shareholders do not take up their rights. Those rights are sold to new shareholders. That is indicated by the way our shareholder list has increased over the years.

Mr. MACDONALD (*Vancouver-Kingsway*): That would be a capital gain? If an existing shareholder sold his rights, presumably that would be a capital gain to him.

Mr. FARRELL: Yes.