

Private Bills

from the Pacific Coast Fire Insurance Company. It is only of benefit to the internal operations of the company and the time of the Canadian parliament should not be wasted on such matters.

I think the government should introduce a bill which would eliminate the necessity of considering bills of the nature of the one before us now. Even the sponsor of this bill admits that the recapitalization is incidental and is an internal, bookkeeping operation which does not have much to do with the expansion of the company. It is agreed that this stock will not be put on the market in any case. The government has agreed to the introduction of a bill which would eliminate the necessity for such bills. I suggest to the government that they have not been fair to the hon. member who, I presume, was asked to sponsor this bill. Most of the hon. members who have sponsored such bills have done so as a service to the government, and I think it is unfair to ask them to do so at a time when steps are being taken to eliminate the necessity of considering such bills in parliament.

Mr. Chairman, we do not question the right of parliament to examine the problems that are raised in such bills. I only raised the matter of stock splitting because it was mentioned in this bill and was approved by this parliament when it agreed to a stock split from \$100 to \$5 which is a 20 to 1 split. According to my understanding this is not the kind of stock splitting which brings no benefits to anyone but the manipulators of the companies. We have already considered another such company which falls within that category. I suggest that this type of operation will have to be controlled by parliament and eventually eliminated. I believe that the stock splitting which has been requested in this bill is not the same type of stock splitting referred to in most bills but is a change in the capitalization of the company. This gives an opportunity to the partners who own this company, but are not shareholders in it to take advantage of a free exchange of certain equities which they may hold in the Century Insurance Company of another country.

The Deputy Chairman: I must point out to the hon. member that the time allotted to him has expired.

Mr. Howard: Mr. Chairman, may I say a few words?

The Deputy Chairman: Order, the hon. member has already spoken in this debate and I do not think he is entitled to speak again.

[Mr. Peters.]

Mr. Howard: Mr. Chairman, it is quite correct that I have spoken before in the debate but we are now in committee and I submit the rules permit a member to make more than one speech in committee. We have already listened to five speeches from the hon. member for Edmonton-Strathcona when the house was in committee. May I make one comment?

The Deputy Chairman: I apologize to the hon. member. He is quite correct.

Mr. Howard: Mr. Chairman, I should like to make a comment à propos of what was said by the hon. member for Timiskaming. My comment does not apply in particular to the Pacific Coast Fire Insurance Company but it is a general comment regarding the manner in which certain companies have operated in the past for the exclusive benefit of those who are "in the know" and who are familiar with the operations of the company and to the detriment of the average shareholder, the widow or the person with a few dollars saved up who wants to invest in the growth of our nation.

I should like to point out the unscrupulousness of some of these companies which for the sake of making a buck, injure the rights and position of the other shareholders in the company.

I will refer to information contained in the "*Monetary Times*" of November 1966 regarding a company called the Aetna Investment Corporation. I will summarize it in a few sentences. The Aetna Investment Corporation entered into an arrangement with the Cowichan Copper Company whereby Aetna loaned \$850,000 to the Cowichan Copper Company to help it to overcome some of the difficulties which that company had with its mine on Vancouver island.

In consideration of the loan Aetna was given 200,000 shares in Cowichan Copper and options to buy 600,000 more. As a result, the company went into operation, got over its difficulties, and its shares earlier this year were selling on the market at around \$1, compared with the previous year's low of 40 cents. This shows a 60 cents gain in the common shares of Cowichan Copper, and the Aetna Investment Corporation had an option for 600,000 of them.

Between the end of January and the end of August, Aetna Investment Corporation, to the knowledge of its directors and those on the inside, quietly began to sell its entire holdings of 675,000 Cowichan Copper shares. They got rid of them gently on the market. When they