

Private Bills

port of Prince Rupert lend themselves to the storage and assembly of a large number of box cars, which would facilitate the handling of grain in that area. This is not possible in some other areas. I believe that all of us in the house have been concerned with the situation that has developed over the last few years in the Vancouver harbour area where there has been a lack of facilities and railway sidings. There has also been a lack of space for the expansion of railway line facilities. I gather that this situation does not exist in the port of Prince Rupert.

The limitations inherent in the Vancouver area would therefore warrant the board of directors considering the port of Prince Rupert for the movement of grain, because it is generally conceded that the export of grain to the Orient will probably continue at an increasing rate for some time to come.

I presume that this company operates almost like a co-operative and applies the same principles. You do not have more than one vote no matter how many shares you hold; there is a limitation in this respect. That brings it into the class of most producer co-operatives in that to be a member of United Grain Growers Limited you must be a bona fide farmer, either as a lessee or as the owner of land. At least, I presume you must hold a permit—perhaps that is a better description—to be a member of United Grain Growers Limited. Therefore this body has many of the attributes of producer co-operatives. For this reason I believe the proposal that has been made, taking into consideration the increase in capitalization being sought, should allow for the consideration of development in an area that is not far removed from the large wheat fields of Alberta.

It seems to me there is a great deal of merit in the method of control in this company, unlike that of some companies with which we have been dealing recently. Those that are members of and support this organization should be quite proud of the advantages and facilities it has been able to provide its membership. They should also be proud that this expansion is now being undertaken on behalf of its members, and of the role the organization has played in western Canada over the years.

I therefore hope the organization will give consideration to the solution of a problem that has been worrying many members of the agricultural community in all parts of Canada whereby restrictions in regard to assembly of box cars have been causing considerable

hardship in moving grain to the coast and loading it on ships. In my opinion this difficulty could be eliminated if a greater percentage of grain were moved to a northern port. I hope, therefore, that at the next board of directors' meeting they will consider this proposal and will perhaps find the government, which has been responsible for these restrictions through the action of the Minister of Finance, in a position to assist them in providing facilities at this port. This suggestion has already been accepted and a recommendation in this regard has been made by the National Harbours Board. I refer to the establishment and extension of grain handling facilities in the Prince Rupert area.

Mr. Howard: Mr. Chairman, could I ask the sponsor of the bill a question? As I understand it, there are two classes of shares, A and B. Class A shares are considered to be investment shares as distinct from membership shares. Does this carry with it the implication that class A shares are not what we would otherwise call voting shares? Do they entitle the holder thereof to be a delegate at meetings and to vote as such or is the right to vote and determine matters confined exclusively to holders of class B shares?

• (6:40 p.m.)

Mr. Harkness: No. As I outlined, Mr. Chairman, the class A preferred shares have no voting rights whatever. The control of the company is in the hands of the class "B" shareholders. There is a limit of 25 class B shares to any one particular farmer and therefore the affairs of the company in that way are wholly in the hands of the farmer customers of the company.

There is also provision that there shall be no proxy voting, so that if the situation ever arose that the control of a large number of these class "B" shares passed to any of these farmers they still could not control the affairs of the company through proxies.

Mr. Howard: This is a commendable thing to see in corporate law and I believe it can provide us with an opportunity to see if we cannot incorporate it in the same way in some of the bills which are dealt with between the hour of six and seven. I must apologize to the hon. member for Calgary North because at the time he was speaking on second reading of the bill I was in conversation with one of my colleagues in respect of another feature of the bill and I missed the point about the ownership.