

On clause 2—Issue and sale of stock, subject to approval of Board of Transport Commissioners for Canada.

*By Mr. Castleden:*

Q. On clause 2 the explanatory note says:

The clause re-enacts subsection (2) of section 1 of chapter 81 of the statutes of 1948, which would be repealed by clause 4 of this bill. The last sentence has been added. It is a necessary complement to clause 3 of this bill which extends the jurisdiction of the Board of Transport Commissioners for Canada to the matter of commissions which may be paid in respect of the issue of capital stock. Once the Board's approval is obtained, no question should arise as to the legal effect of anything done pursuant thereto.

is this being done without any amendment to the act which set up the Board of Transport Commissioners?—A. The Board of Transport Commissioners' authority over our capital stock arises from our own special acts. In 1929 the provision was put in our special act of that year which said:

The Company shall not have power to make any issue, sale or other disposition of its capital stock, or any part thereof, without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms and conditions of such issue, sale or other disposition of such capital stock.

That has been in our special act since 1927. We are seeking to add this additional sentence so that when the board says we may issue the stock in conformity with its orders, or with a certain commission which it approves, after examining into the transaction, then it will not be open to question.

*By Hon. Mr. Marler:*

Q. Has that question arisen in past issues?—A. No sir, because we never had to pay commissions.

Q. I am referring to the validation of a stock issue and the decision of the Board of Transport Commissioners.—A. It arose once but it did not get very far, when the city of Montreal attempted to block one of our stock issues. It would be a very serious thing, when we start a large stock issue, if somebody were to go to the court and obtain an injunction to tie it up after it had been cleared by the Board of Transport Commissioners. It would strangle the whole operation.

Clause 2 agreed to.

On clause 3—Company may pay commissions on subscriptions.

*By Mr. Castleden:*

Q. This clause has to do with commissions?—A. Yes.

Q. Under this clause the board is to give permission to you to pay commissions in the sale of your stock?—A. If we apply for it and can show a reason for it.

Q. Do they set the amount of commission payable?—A. They would have to approve the amount and the terms.

Q. In every case?—A. Yes.

Q. The board has complete control over it?—A. Yes. All it has to do is say no, and we are in difficulty.

Clause 3 agreed to.

Clause 4 agreed to. The Title and Bill adopted.