

Private Bills

in their interests to secure this land. How many members of this house would stand for that?

The Chairman: Order, please. It being six o'clock I do now leave the chair.

**PROCEEDINGS ON ADJOURNMENT
MOTION**

**SUBJECT MATTER OF QUESTIONS TO BE
DEBATED UNDER ADJOURNMENT
MOTION**

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Lotbinière (Mr. Choquette), Agriculture—Quebec suggestions on crop insurance; the hon. member for Springfield (Mr. Schreyer), Labour Relations—Whiteshell, Man.—strike at nuclear research station; the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), Finance—U.S. tax on rapeseed oil and meal.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills and public bills.

PRIVATE BILLS

INTERPROVINCIAL PIPE LINE COMPANY

The house resumed, from Tuesday, February 15, consideration of the motion of Mr. Wahn for the second reading of Bill No. S-10, respecting Interprovincial Pipe Line Company.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the last time this matter was before the house I was pointing out the problem members faced in dealing with this kind of amendment because of the information available to us as to the splitting of this stock. I should like to refer to several instances where something has been said about this stock on previous occasions. I had an opportunity of looking at the *Financial Post* survey of oil stocks for 1965. I find that this survey contains the history of this company. Briefly, the company was set up by an act of parliament in 1949 when it was established to transport oil. By 1964 the company had something like 3,475 miles of pipe line in its system. The history of the company indicates that the capital stock authorized was 40 million shares with a total issue value of \$5,087,282 and a par value of \$5 per share.

The original capitalization of this company in 1949, however, was on a \$50 per share

[Mr. Diefenbaker.]

basis. In 1952 the shareholders approved a 10 for 1 split and the stock was changed from a par value of \$50 to a par value of \$5. It has been said, Mr. Speaker, that the reason for reducing the price of this stock is twofold. Mr. Burgess, Q.C., representing the company in the other place, outlined the two reasons. First, he said—

Mr. Choquette: Carried.

Mr. Peters: Where are you going to carry it? Since "carrying it" in a pipe line means moving it from one place to another, I suppose if the hon. member wants that to be considered as his contribution to this debate that is probably all right. I should like to quote what Mr. Burgess said before the Senate Committee:

I think the primary consideration of the board of directors of a Canadian company of this nature is to broaden the base of their stockholdings, in particular to broaden the base of their stockholdings in Canada. This serves an extremely useful purpose in that for the benefit of your existing shareholders as well as for the benefit of others who might wish to buy into the company, you get a much narrower market on your stock.

This may be so.

When your stock is at a price up in the eighties or nineties it is a rich man's stock and many investment syndicates and people like that buy it, but the man in the street is not going to buy very much. You get a buy order that can be a major investment fund or something of that nature, and the stock market accelerates because they are buying stock on what their financial experts have told them. They want the stock then; they buy it; and the price escalates.

He goes on later to point out the second reason, and it is of interest to note that the second reason has now become the prime reason for the stock split. The company is attempting to make this stock available to its employees. He goes on to say there has been a vote taken on this matter and that 90 per cent of the employees voted in favour of question No. 1 and 78.7 per cent voted in favour of the second question. The first question reads as follows:

Would it be more attractive to you as an avenue of investment of your plan savings if the stock were subdivided on a 5 for 1 basis, so that each new share would have a market value of approximately \$18?

The answer was yes by 90 per cent.

● (6:10 p.m.)

The second question was:

If you presently allocate your plan savings to cash savings, or are contemplating doing so some time in the future, would the lower unit price of the Company stock encourage you to change your allocation from cash savings to the purchase of Company stock?