

The WITNESS: If we had known that question was going to arise, we could have brought the notice.

Mr. McQUARRIE: I wish we had brought the notice. A letter went out to each shareholder, along with the notice. I have not got a copy of that letter with me.

Mr. WAHN: My recollection, sir, is that the notice simply said, in effect, what is included in that explanatory note to the bill; that the shares were now high-priced, and it was felt desirable to split the shares five to one.

Mr. CAMERON (*Nanaimo*): Perhaps you could tell me, from the point of view of a shareholder of the company, what that individual shareholder would consider he would get, out of this splitting of shares, that would be to his advantage? Can you tell us that?

Mr. WAHN: I think I would feel that the marketability of the shares was important, and that indirectly, and over a long period of time, I might further profit as a shareholder. In other words, as we have said, quite frankly, a share, which is selling at \$117, is not as marketable as a share, which is selling at \$20 or \$25. Therefore, over a long period of time, I would hope, as a shareholder—and presumably that was the view of most of those shareholders who voted for this five to one split—that I would get some advantage as a result of having the shares more readily marketable.

Mr. CAMERON (*Nanaimo*): Would you really think that it would be important for a share holder, in a company with the record that your company has had in the last two years, to dispose of the shares, even at that price? Would it not be perfectly possible for a shareholder, who required to raise money quickly, to hypothecate the shares quite advantageously, having regard to the record of the company?

Mr. WAHN: Yes, I believe it would be.

Mr. CAMERON (*Nanaimo*): Then, I cannot, for the life of me, see what appeal you could have made to your shareholders, unless there was a suggestion, somewhere, that it would provide an opportunity for a quick capital gain, for the shareholder to get rid of part of his holdings, and hang on to the rest of them. I cannot see what other argument you could have presented to your shareholders, that would interest them. We have already been told that there is no real benefit to the company, as a company. It does not improve the company's position. I am at a loss to see what the advantage could be.

Mr. WAHN: I can just assure the member, that no such suggestion was made in that notice that went out. We simply said that the directors considered that it was in the interest of the company to have this wide distribution of stock, just as is said in that explanatory note to the bill. No other inducements, or suggestions were made.

Mr. CAMERON (*Nanaimo*): Will you explain to me just how it is to the advantage of the company, and how it puts the company in any better position, bearing in mind the fact that, according to Mr. Morrison, this company does not deal with the general public? It transports oil for all companies to the oil companies' customers. So, the question, of creating good public relations with the general public, does not come into it at all.

The WITNESS: Oh, yes, it does.

By Mr. Cameron (*Nanaimo*):

Q. I fail to see how even the worst reputation, in the public's mind, could affect your company.—A. Let me give you one example. Our pipe line runs