

*Private Bills*

**Mr. J. H. Horner (Acadia):** Mr. Speaker, before the question is put I should like to pose a number of questions that are in my mind and were in my mind during the last time this bill was before the House and before the Committee. When the bill was before the Committee on Railways, Canals and Telegraph Lines I, along with a lot of other Members, posed some questions concerning the purpose of share splitting. I was interested in the remarks made by the hon. Member for St. Paul's (Mr. Wahn) when he discussed share splitting. He said that a 5 for 1 split was reasonable but that a 10 for 1 split or a 20 for 1 split might induce undue speculation in the company's shares. I was interested in this from the point of view that a 5 for 1 split would not do this but a 10 for 1 split would. I wondered how the hon. member could draw the line so closely.

It has been my belief that a stock split helps those who already hold shares. It is no surprise to me that the shareholders are in favour of a share split of 5 for 1. It is no surprise that the directors are in favour of this and no surprise that the company employees, who have an interest in their savings fund, should also be in favour of a share split.

The bill before us during the last session stated that the whole purpose of the proposal was to make it more desirable for the small Canadian investor to invest in this company. The explanatory note for this bill says that the proposal would make it more desirable for the average investor to invest in this company. During the Committee hearings last session I asked how many small investors had invested in this company already. The Chairman of the company who was before us at the time could not answer that question. I thought it rather strange that a company would come before Parliament or before the Railways, Canals and Telegraph Lines Committee asking for a share split in order to encourage small investors when they did not know how many small investors they already had or how many they were trying to encourage into the company.

He went on to tell us that 47 per cent of the company stock was owned by Imperial Oil, Shell of Canada and British American. He said that the rest of the shares were owned by a number of people. In fact, he said that 37 people owned 10,000 shares or more. When I asked him, however, how many small investors had invested in the company he could not tell me. He said, as the hon. Member for

[Mr. Barnett.]

St. Paul's has, that share splitting has proven to be a factor in enticing greater participation in a company. Going back over the years as far back as 1958, we find this company had 12,000 shareholders. Surely the stock was not up around \$90 at that time. Since that time the number of shareholders has only increased to 14,000. Evidence before the Committee in the last session suggested that the most recent investors in the company had been pension plans and funds similar to pension funds held by unions and other companies. This does not suggest to me that the average investor is being kept out of this company by the high price of the shares.

I suggest that before the company comes before the committee to give evidence they bring with them the number of average investors they have in the company now and the number of average investors they hope to entice into the company by a reduction in the price of the shares. I believe it is common knowledge that this is not a speculative company. It is a transportation company in the sense that it transports oil from western Canada to some parts of eastern Canada and the United States. There is no speculation in the business other than the volume handled from year to year. This figure has remained relatively stable, with an increase each year. Before six o'clock I should like to pose a number of questions so that the company can come to the Committee and give the answers. They should tell us what they hope to achieve by the co-operation of the average Canadian investor. Share splitting will certainly enhance their own position with the shareholders but how will they enhance the position of the average Canadian investor by this method?

It is my understanding, Mr. Speaker, that the bill will be sent to the Committee on Railways, Canals and Telegraph Lines. On that understanding I will conclude my remarks.

**Some hon. Members:** Question, question.

**Some hon. Members:** Six o'clock.

**The Acting Speaker (Mr. Batten):** Does the House agree that I should put the question?  
[Translation]

**Mr. Pierre-André Boutin (Dorchester):** Mr. Speaker, may I point out that it is six o'clock.  
[English]

**The Acting Speaker (Mr. Batten):** Order. The hour for private Members' business has expired.