

*Private Bills*

• (6:50 p.m.)

Let us not kid ourselves. Let us not kid ourselves also about one other simple fact. The New York Stock Exchange does not keep stock at a certain level. They like to group stocks into certain categories but they certainly do not keep them there. The public usually keeps them in these groups and if the stock is a good stock I think it will always reach its proper level.

This company, Mr. Speaker, is an exceptionally good company. I would suggest that if you have \$100,000 to put into it you should buy the stock tomorrow because it is a good deal. Some 25 per cent of the capitalization of this company is covered by stock. The rest is in long term, very low interest loans made mainly by Imperial Oil, and if the transmission of oil falls below a certain level Imperial Oil will pick up the tab. These are facts. This is a company which cannot possibly lose money. The more profit it makes the more it can pay off the low cost bonds which represent three quarters of its capital. The other stock carries the remaining quarter and the money flows toward the stockholders of the company. It is a beautiful deal.

I think it was a disgrace that someone should come before us and tell us that the only reason this manipulation was taking place was to help the employees saving plan and so that the employees would be able to buy stock. It was finally admitted that this was a lawyers' gimmick and this was really not the company's intention. It really does not matter whether the employees buy stock at \$90 or at a lesser price. If the company wants as many Canadians as possible to buy this stock—I am not aware of what the split is between Canadian and United States ownership of the shares though it really does not matter to the discussion we are having—and if it is true that this stock should be reduced to the \$18 level, why not go the whole way and reduce it to \$1.80? I think you will agree, Mr. Speaker, that more people are able to buy stock at \$1.80 than at \$18.

The company will say that this suggestion is unreasonable. But they have already split this stock in a similar way. It has already been split ten to one and the stock is still at \$90. If it were split again I suggest that in two years it would be back once more to \$90.

A check of a survey made in 1965 of liquid oil and natural gas companies will show that Interprovincial Pipe Line has done very well for itself. A year or so ago I read about some of the advantages this company offered and it

[Mr. Peters.]

would probably be easier to read my remarks in *Hansard* if anyone wishes to do so. The figures I gave at that time were taken from this survey of oils. I gave the amount of shares that had been bought over the years. for itself. A year or so ago I read about some This company declared dividends of \$3.40 per share per annum based on the current price of \$90. That was as at September 1, 1964. Eighty cents a share was paid quarterly from September 3, 1963, to June 1, 1964 inclusive, bringing the dividend up to \$3.40.

This stock has already been split ten for one. That means that an original \$50 share in the company would bring a return in dividend of \$34 per share I suggest that is not bad. Probably many of the old women in this country who are depending on their nest eggs or blue chips would find Interprovincial Pipe Line a very good investment, and I strongly recommend it to anyone wishing to buy stock.

**An hon. Member:** How many shares do you have?

**Mr. Peters:** I have been asked how many shares I have. Although members of parliament have done very well, I have not gone into the stock market to buy and sell Interprovincial Pipe Line stock. If I had a share it would only be to enable me to keep track of shareholders meetings and to have the opportunity of attending them and asking questions first hand. However, I have no shares.

**An hon. Member:** Perhaps they will make a collection for you.

**Mr. Peters:** The hon. member suggests that maybe they will take up a collection. If they do, I would be happy to have even one share in my name.

I should like to know what the honest answer is. As the sponsor of the bill has intimated, the matter of stock splitting has been the subject of investigation. There have been two recent ones. I think it behooves some members of parliament who are interested in this field to go to some of the company meetings and find out why the company is asking for this stock split. It seems to me that if a person has enough money to buy a blue chip stock it really would not make much difference if he bought one share at \$100 or ten shares at \$10. If you are investing money I think the average investor can add up the dividends on ten shares almost as easily as on one. I suggest the \$100 a share stock does not really have much advantage over the \$10 a share stock if it is held as an investment as a blue chip stock.