

3,400 miles of pipe line with which to carry out its function, and in its last year of operation it moved on the average the very large quantity of 500,000 barrels of oil a day.

In the course of its relatively short history it has consistently reduced its rates, so that with the reduction in December last it is now moving oil at a cost approaching 50 per cent of the original tariff with which it commenced operations. That is, as I am sure all honourable senators will agree, a very creditable performance.

The reasons for the splitting of the shares are given in the explanatory note. This is a very common practice of companies. There is nothing unorthodox or unusual, and there is certainly nothing unethical, on the part of a company in splitting its shares. On the contrary, I would say, as I said last November, it is a common practice for successful companies to split their shares if they have been so successful that the prices of them have risen greatly.

I know it is not necessary, but as a result of comments I have heard outside I think it wise to remind the house of one further thing in connection with the principle of splitting shares. I do this because I have heard it said, in effect, if a company has 1,000 shares authorized which it splits into 5,000 shares, then all that company has done is to give itself an additional 4,000 pieces of paper to sell to the unsuspecting public. This is, of course, quite ridiculous. Nothing could be further from the truth. All that happens when a company such as this splits its shares is that the day after the shares are split five for one the price of each share becomes approximately one-fifth of the price of the original share the day before.

This creates no benefit for the management or the directors. There are two classes of people who do benefit from such a procedure. One class comprises the small investors who find \$95 a very high price to pay for a share of a company in which they wish to invest, and who find it much easier to buy a share at \$15 or \$20. The other class of persons who benefit—this is not necessarily always true, but it is certainly true in the case of this company—are the employees of a company which has an employee's savings plan whereby some of the money saved may be invested in the shares of the company. This particular company has such a plan, and when the price of a share is, say, \$18 instead of approximately \$90, it will be easier for the employees to invest in the company.

Honourable senators, there is nothing obscure about this bill. Its purpose is very clear. This is a good company, and I would recommend that the Senate give its approval to its application.

Hon. A. J. Brooks: Honourable senators, as has been explained, this is a good company, and a bill similar to this one was before us during the last session. I do not think any objection can be taken to this bill. However, I should like to ask the honourable sponsor (Hon. Mr. Molson) how many shares have been issued. Have all the 40 million authorized shares been issued and, if not, what proportion of them has been issued?

I should also like to ask, if all the authorized shares have not been issued, how many are left for sale, and how much of the stock has been taken up by the employees? It is an excellent thing to find companies such as this offering their employees the opportunity to buy the stock, and I should like to know what advantage is being taken of this opportunity by the employees. From my reading of the explanation, I take it that this plan has not been as altogether satisfactory as the company had hoped.

Another matter that has occurred to me is that of the protection of the great pipe lines we have across the country. I am referring not only to pipe lines for crude oil but also to those for gas and for the conveyance of other products. We have heard of certain subversive elements whose aim is the destruction of our pipe lines, and we all realize how the sabotage of the pipe lines in time of trouble could be very dangerous.

I should like to ask the honourable senator what effort would be made by this company, which is an extremely wealthy company whose activities extend interprovincially and right across the country, to protect its own property. Does the company depend entirely on our police and other law enforcement bodies for protection, or does it make some effort itself to protect its property? I ask this because, should subversive elements undertake to make trouble in this country we would find ourselves in a chaotic condition.

Perhaps the honourable senator is not in a position to answer questions such as these at the present time. The subject matter of this bill has already been considered in committee. I could not follow whether or not the honourable senator was asking that the bill be sent to committee again. How-