

*Private Bills*

we come to the second paragraph where it says:

The reason for the proposed subdivision is that the company considers it desirable that the average Canadian investor be encouraged and be given the maximum opportunity and incentive to invest in the equity of a successful and growing Canadian company.

Here we come to at least one point where the explanatory notes begin to depart from the real facts of the situation. The company may be successful in growing but the splitting of its shares will not give the maximum or any real opportunity to Canadian investors to invest in the company.

Reference has already been made to the fact that only a small proportion of the authorized shares has been issued. Reference has also been made to the fact that, unless there has been a change quite recently, the company has no intention of issuing additional shares in any substantial amount from its treasury. Reference has already been made to the fact that the bulk of the issued stock is held by certain large oil corporations.

In view of all this it becomes clear that the explanatory notes depart from the real facts of the situation. They go on to outline what is considered to be good, normal, corporate practice and the best principles with respect to share values. Then there is quite a long paragraph, in fact the most lengthy one in the notes, dealing with the company's generosity in providing an opportunity to its employees to acquire company stock.

When I read these explanatory notes I thought they had a very familiar ring. In fact I wonder whether somewhere somebody who is in the habit of drafting bills of this kind has a file labelled, "Explanatory Notes Re Pipe Line Company Shares." I say this because I recall that a number of years ago we had a similar bill dealing with the splitting of the shares of the Trans-Mountain Pipe Line Oil Company, with whose operations I am more familiar because its pipe line traverses part of the province in which I make my home. Unless I am very much mistaken the explanatory notes attached to that bill, which I believe was dealt with in 1955 or 1956, were identical in almost every respect with the explanatory notes attached to this bill.

With respect to that previous bill we discovered that the company had no intention of issuing any further shares from its treasury. In statements by the company they clearly said, "No, we have no such intention. We do not need capital for expansion raised by

selling shares. We can do very nicely by the marketing of fixed interest bonds. We are quite happy to keep the share equity in the hands of those who now have the bulk of it. Not only from the point of view of the increase in dividends but from the point of view of the appreciated value of the stock we have no serious desire that our shares in any substantive number be spread among Canadian investors." As a matter of fact, during the particular session of which I am thinking Trans-Mountain was not allowed by parliament to split its shares, though it may have been able to do so successfully at a later date.

● (6:50 p.m.)

I submit, Mr. Speaker, that the reasons which were valid then against Trans-Mountain Pipeline Company splitting its shares apply with equal force to the proposal which Interprovincial Pipe Line Company is placing before us now. I think that the question of the validity of the arguments advanced for the splitting of shares in general has to be considered in a somewhat different light when we are considering a company which, as already has been pointed out, has in effect a form of transportation monopoly. We did have some discussion in the house recently on the question of the operation of another form of transportation monopoly which was granted certain special rights and privileges by parliament many years ago. I am referring, of course, to the privately owned Canadian Pacific Railway Company. I think that members who participated in that discussion and expressed concern about some of the activities of that corporation should perhaps bear that situation in mind when they consider the developing and increasingly important monopoly form of transportation that has come into being in more recent years in respect of the transportation of commodities by pipe lines.

The fact of the matter so far as I am concerned is that this form of transportation should be rightfully considered as a public utility for the movement of commodities which can be transported by this means to Canadian consumers at the least possible cost. We listened to the Minister of Transport outline in practical terms his concept of the important role that transportation plays in a country that extends for thousands of miles.

I submit that parliament committed a grievous error in allowing this kind of company to be incorporated as a private corporation in the first place and that there is no