

Private Bills

The original capitalization of the company in 1949 was on the basis of \$50 per share but even by 1952, if my figures are correct, the shareholders had approved a stock split to a par value of \$5 a share. This company has a capitalization of 40 million shares and only 5 million of those shares are on the market at the present time. If the new, further split which is now sought is approved it will mean the company will have a capitalization, if my figures are correct, of 200 million shares.

The question that arises in our mind is: Why does the company want this many shares? Its stock, as was pointed out before, has been and continues to be an excellent, well supported investment. As a matter of fact, somebody has worked out that if you had bought one \$50 share in this company back in 1949 and had stayed with it through the stock split that took place in 1952, the 10 for 1 split, and had reaped the \$3.40 dividend paid per share last year, you would have received in dividends \$30 a year up to this time for the original capital investment of \$50. The stock is a very good one, so why change it or dilute it, especially when, if what is sought in the way of an additional stock split is granted, the company will have some 175 million undistributed shares in its treasury?

I would want to know a great deal more about the proposition before I would agree to it. That is in the first place, Mr. Speaker. In the second place I very much doubt the claim that is made as a basis for proposing this stock split and the proposition we are faced with in the explanation of the bill. This proposition is that the stock split is being sought in order to encourage Canadian investors to invest in a Canadian corporation. I think nobody would dispute the fact that the companies in Canada which actually own a great number of the shares of this company are in the main non-Canadian companies and are rather, United States controlled or owned companies. My understanding is that Imperial Oil, B.A. Oil and Shell Oil are not truly and completely Canadian concerns. I believe many hon. members would agree that what is owned is controlled. For example, what the Americans own in this country, which according to the latest figures I have is something more than 60 per cent of all Canadian natural resource industries, is certainly controlled and circumscribed by non-Canadian minds and hands.

• (6:30 p.m.)

The situation in this respect is something like the old adage of the iceberg. That part of it which is above the surface seems very massive and people think it is a tremendous size. Of course, Mr. Speaker, so it is; but actually it is only one-seventh of the great bulk of that structure which runs below the surface and actually determines the flow and the course of the iceberg which looks so large above the surface. I think that is the case also in the matter of Canadian industry, particularly in the matter of this application. Therefore, under these circumstances and believing as we do we just cannot be so naive as to take this prospectus at face value, and we in this group insist on continuing to examine the fine print.

I have another reason for objecting to the passage of this bill, at least till my grave misgivings about it are set at rest. The reason is that basically this is a transportation company, a private monopoly concern dealing in a business which affects several provinces and at least several thousands of Canadians. Actually it is not a business, any more than the post office or the streets or sewers are, which can be regarded as a competitive one. You cannot logically have several giant pipe line transportation companies running across the country competing with and duplicating each other. This just does not make sense.

Our feeling, Mr. Speaker, under these circumstances is that this company should be regarded as having something in the nature of a private monopoly function in what should be the public service or public monopoly field. I think that the parliament which originally granted this organization its rights was unwise in doing so. It seems to me, in the first place, that it was wrong for it to do so. Surely it should have been a publicly owned and operated concern serving the public interest, operated by and for consumers at the lowest possible cost to them.

So, Mr. Speaker, as far as I am concerned I oppose the passage of this legislation and I would invite other hon. members also to take a very hard look at it or at least to ask for further clarification and explanation.

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to say a few words on this bill and for very good reason. I know we may be accused by certain hon. members of taking perhaps an overzealous interest in these pipe line bills but I think I can demonstrate to yourself and to the house that bitter experience is possibly the reason we seem to be so