

*Private Bills*

this company were around \$30, the company had something like 8,000 shareholders. I recall these figures from evidence given before the committee. At the price of \$30 a share, was there a tremendous influx of investors? The answer is no, Mr. Chairman. From where did the influx of money come? Again, large amounts of money were invested by oil companies, pipe line suppliers, union funds, pension plans and so on until there were something like 12,000 shareholders while today the number has increased to approximately 14,000.

There has been no overwhelming evidence to show that the small investor is being kept out. If he is being kept out today, apparently he was kept out when the share value was around the \$30 mark because the small investor was not interested then either. This is the crux of the problem. What are the fears beside the fear that the small Canadian investor is being kept out? One of the fears I have is that where shares are split it is often done to enhance the value of existing shares and to increase shareholders' profits. This view may be unfounded. I know that big business splits shares all the time but it just happens that this company is in the unfortunate position of having to come to parliament for the privilege of splitting its shares.

• (6:30 p.m.)

This is a company which transmits oil across a provincial boundary. Therefore its application must come before parliament and it should come before parliament. It has been given a monopoly by parliament and it is only right it should explain to us whether it is trying to enhance its own position or whether it is allowing more Canadians to participate in its profits.

Consider the number of shares which have been issued. I understand that there are some 40 million shares in the treasury of which little more than 5 million have been issued. The sponsor of the bill can correct me if I am wrong; I speak from memory. Does the company intend to issue more shares? No. The intention is to keep 35 million shares in the treasury. They want to multiply these by five which will give them 175 million shares tucked away in a sock for a rainy day. This is how it appears to me as one who is perhaps an uneducated investor. I do not need to say, Mr. Speaker, that this is a nice reserve to have in case another transmission line should be built or in case we run out of oil in

23033—103½

western Canada and can no longer transport any to eastern Canada through this line.

I support the idea which the hon. member for Timiskaming (Mr. Peters) sought to put forward in his proposed amendment. The company is asking for permission to split these shares. Why split the unissued shares? What is the necessity for that? The officials said when they appeared before the committee that they did not intend to issue any more shares. The only purpose which would be served by splitting the unissued shares would be, so far as I can see, to build up tremendous investment support.

Look at the issued shares. What happens to them? They are split five for one and their price goes down to \$18. The thought is often expressed that in cases like this, when we are dealing with a guaranteed monopoly, a company operating at almost 100 per cent of capacity, the value of these shares will not remain at \$18 for very long. They will start to climb. Who will benefit then? The present owners or shareholders. The president of the company has something like 3,500 shares in his personal account. That is a nice amount. If they go up \$5 a share the expenses of putting this bill through parliament will have been paid.

Imperial Oil, which owns close to 25 per cent of the shares, would have no objection to splitting the stock because 25 per cent of 5 million shares would amount to 125,000 shares. There is something wrong with my arithmetic. It would amount to 1,250,000.

**An hon. Member:** What's a million?

**Mr. Horner (Acadia):** It is a lot of money to me and I am sure Imperial Oil would be interested in it too. They would have no objection because any slight movement in the value of these shares would enhance their position tremendously. I am being frank in this regard. I do not doubt for one moment that the bill will go to the committee. I am putting my fears on record so that when we get to the committee the company can bring ample evidence to set my fears at rest. If they can convince me that my fears are unfounded, that Imperial Oil will not enhance its position, that the other big investing companies will not enhance their positions, I may take a different view.

We were told there were more than 37 shareholders holding more than 10,000 shares. But we were not told now many people hold fewer than 37 shares. This is the figure in which I am interested because the whole purpose of this move is surely to allow the