

*Private Bills*

**Mr. Horner (Acadia):** As someone says, perhaps it will not be the last; that may be true.

I would not want to be accused of holding up this matter. I am seeking only information and clarification. It is an interesting bill with an interesting principle involved, namely, the selling of shares and whether or not stock splitting really helps the small investor. The shares are selling at nearly \$90 and the proposed split would bring the shares down to something in the neighbourhood of \$18. We have recently been told that this will make shares much more readily available to small investors.

• (6:20 p.m.)

Yet when the question was asked some years ago before the Railways, Canals and Telegraph Lines Committee how many shares are bought at one time, a representative of the company replied, "Well, perhaps 100 or maybe as low as 50". There is the crux of the matter. Anybody who is going to buy 100 shares of this company at \$90 a share would have to have \$9,000. Surely the stock exchange is geared to accept smaller amounts of money. Surely the stock exchange is geared to accept purchases of many fewer shares than 100 at one time. I suggest there is ample evidence which could be put before a committee or before this house that this is the fact. The stock exchange is geared to accept smaller amounts of money than \$9,000 or \$5,000; in fact, it will accept amounts as low as \$1,000. One thousand dollars will buy in the neighbourhood of 50 shares.

I asked a number of questions of the president and chairman of the board of the company who appeared before the committee and I tried to ascertain whether the company had the interest of the small investor at heart or if it had the interest of the company and those who held large numbers of shares in it at heart. I am not anti-big business, Mr. Chairman. I am not anti-anything really.

**An hon. Member:** What about being anti-Liberal?

**Mr. Horner (Acadia):** That is a very difficult question to answer because I do not know where they stand on any subject.

What I am trying to project and work toward is the bettering of conditions for as many people as possible. This company is operating at nearly 100 per cent capacity. In other words, there is a transmission line from western to eastern Canada transporting oil under near monopoly conditions and at nearly

[Mr. Horner (Acadia).]

100 per cent capacity. It is an ideal company operating under ideal conditions.

The question is, where is the interest in the purchasing of this company's shares? That question was asked before the Committee on Railways, Canals and Telegraph Lines. Much to my surprise the answer was, "Well, recent purchases of the company's shares have been by unions with a surplus of money, private pension plans with money to invest in a solid investment and organizations like that". There was no evidence before that committee that small investors wanted to buy the shares of this company. In fact, the evidence before the committee was that the opposite was true.

Unions and pension plans with large sums of money were looking for solid, sound investments and they chose this company. I say that the opposite is true with regard to the small investor who is looking for penny shares from which he hopes to make a fortune. In other words, the small investor is looking for a pot of gold at the end of the rainbow. He is prepared to speculate with very little money in the hope that he will strike it rich. Persons investing in this company are not of this type. This company, operating under a monopoly and with its transmission costs and transmission prices evaluated by the National Energy Board, is of such a nature that it does not make an exorbitant profit but on the other hand it does not lose money. In other words, this company has a sure thing. It is a solid investment. Any solid, sound investment has a tendency to entice large amounts of money from investors looking for a sure return.

I say, therefore, to the mover of the bill that whatever committee of the house this matter goes before, and I am not sure which committee it will be, the Interprovincial Pipe Line people should come before that committee prepared to support their claim that there is a real need to split these shares so as to allow the average or small Canadian investor to buy them. The words "average Canadian investors" were used in connection with this measure although two years ago I believe the words used were "small Canadian investors".

What are the facts about this particular company? Imperial Oil owns something like 25 per cent of it, and Shell and British American lesser amounts. We are told that wherever you have share splitting you have an increase in the number of shareholders. However, in 1952 or 1954, when shares of