Company. My purpose is akin to that achieved by the Minister of Finance who succeeded in preventing a particular motion from coming to a vote. My purpose is that the Interprovincial Pipe Line Company bill likewise will not come to a vote because I do not think parliament should endorse the principle contained in the bill.

One of the contentions of the sponsor of the bill is that the legislation would be of assistance to the investing public, the reason being that if the stock split is permitted to go through the presumed price of the stock on the open market would be approximately one fifth of what it is at the present time and because it would be a lower priced stock it would therefore be more attractive to the investing public. How is this supposed to take place? Some years ago we had another bill which parliament dealt with regarding a stock splitting arrangement involving Trans Mountain Pipe Line Company. The information which we were given at that time by persons knowledgeable in the field of stock market activities was that when a stock split of this nature took place they could expect about a ten per cent increase in the number of shareholders and that after this 10 per cent increase in the number of shareholders took place—the 10 per cent increase, incidentally, would be an increase because of speculation based on an expected rise in the price of the stock itself—the total number of shareholders, following an indeterminate period, would settle back to somewhat the same number as before the stock split took place. The assistance to the investing public is only to approximately 10 per cent of the investing public, which I submit is a relatively insignificant part of the Canadian population.

Mr. Johnston, president of Interprovincial Pipe Line Company, told us a long time ago that from watching the movement of these shares and their sale on the stockmarket he knew that sales were between 700 to 1,000 shares a day. He went on then to say, and I quote from his statement in the proceedings and evidence of the standing committee: "I think that is probably a reasonably good average". So far as Mr. Johnston, the president of the company, was concerned sales of the stock on the market were at a reasonably good average. It seemed all right to him. It seemed that the investing public was exhibiting sufficient interest in the stock at a price of around $90, as it was then, and that sales achieved a reasonably good average.

How is this proposal going to be of help, as the sponsor puts it, to the investigating public?

[Mr. Howard.]

Is it going to be of help to the shareholders now such as Imperial Oil, Shell and B.A. Oil? If what we are told is the usual thing happens and the stock split goes through, the price of the stock on the market will be cut by five and there will be an almost automatic advance in the new price which will add to the advantage of those who are now stockholders and allow them, if they so desire, to divest themselves of the stock they now hold in anticipation of the 10 per cent increase in shareholders that may result from the stock split.

I suppose one can argue that this is a reasonable course to follow, but what prevented those who want to divest themselves of the stock now from selling it in the last two years when it was almost $100 a share? There was a reasonably good profit available for those who had bought it at a lower price. I do not know what it is down to but it is down now. When the hon. member introduced the bill the other day it was about $86. There has been some decline from what the price was a year or two ago when a similar bill was before us. Why is it that parliament at this juncture, as it was, before, should be asked to endorse a principle which will assist to bail out investors who may have bought the stock at a high price? We do not do this in respect of other companies.

• (6:10 p.m.)

The normal course, as I understand it, is that if you buy stock on the market and it goes up and you sell and make a profit that is good for you but if you buy stock at a certain price and it goes down and you lose money then it is too bad. That is the way the ball bounces, as the common expression goes.

The small investor will not be in a different position after the stock split takes place from what he is in now. The whole question is related to investors having a certain amount of money to invest. If with that money they buy ten shares of stock at one price or 100 shares of stock at another price it does not make any difference to them because they still have a certain amount of money involved in an investment.

Mr. Johnston said when he appeared before the committee that at that time average sales ran between 700 and 1,000 shares and he considered that reasonable taking into account the price of the stock and the number of shares on the market. One would assume from that statement that there was reasonable activity in the buying and selling of