

Private Bills

to oppose this request, if it happens to be the wish of the majority of the shareholders in a corporation as expressed through the board of directors.

One point I do want to make, Mr. Speaker, is that I would not like the hon. member who has made a speech outlining some of the reasons for requesting this split to think we are so naïve that we would accept some of the arguments he has advanced on behalf of small investors. He said that the market value of the shares is now \$93.50. Someone who had \$935 to invest at the present time could only buy ten shares. If this bill passes, the company will be granted permission to make a five to one split, and then the small investor in Canada would be able to buy 50 shares for \$935.

Now, Mr. Speaker, I should like the hon. member who made that suggestion to show us one case in which a company has made a stock split when that has been the case. The minute a company gives an indication that a stock split is imminent, there is a rush in the market which forces up the price of such shares. What is more, following the split, there is never, so far as I know, a re-evaluation of the shares on the market that reflects the proportion of the stock split. So, Mr. Speaker, I would not like the hon. member to think we are so naïve that we accept this kind of argument.

The second point is this: I should like to know, some time before this bill gets through all its stages, how much of the authorized 40 million shares have been issued? The hon. member said that it would be about 25 million.

Mr. Ryan: If the hon. member will permit me, I can give him the figures. I have them here.

Mr. Olson: I am not sure it would be proper for the sponsor to intercede in this debate again. I would not mind, but I believe there are some other members who want to speak as well.

In any event, I should like to know how many of these shares have been issued. I should like to know also if they were all sold for \$5 per share, that is if all those that have been issued out of the treasury have been sold for \$5. If they have not, then the mathematics that have been put before us have no basis. They do not stand up. We do know that Imperial Oil Company of Canada is the major shareholder. I should like to know how many shares they hold. I have no objection to a Canadian company, even though it is a sub-

siary of another company, getting into the shares of a company that is actually in a position to benefit Canada. I should like to know, because there is no doubt in my mind that if this split becomes a fact, all the existing shareholders are going to realize a tremendous increment in the value of the shares they now hold. This may not be something to be resisted completely but, for example, if one shareholder holds something like 30 per cent of the shares then I am fairly sure a real bonanza will be realized on the market from this split.

If the company requires further financing and wishes to secure it on the basis of issuing more shares out of the treasury it has certainly sufficient room within the existing provisions of the charter to do so, and might perhaps sell them for something like \$90. I do not accept the argument that this will be particularly good for the small investors. It will be good for investors of all magnitude. We do not oppose the bill being sent to committee but these are some of the questions which we shall be asking.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I shall not detain the house long but, like my colleague from Comox-Alberni, I was struck by the similarity of this measure to the one we dealt with some years ago. Until the speech of the hon. member who has just finished, I was not aware that this particular company is in precisely the same position with the Imperial Oil Company as was the other one.

On that previous occasion I tried to seek information from officers of the company, and I may say they advanced the same arguments which the hon. member advanced. I tried to get answers to two questions that had to be answered before one could judge the desirability of the move. My first question was whether the company was proposing to release shares now held in the company treasury to employees who wished to buy shares in the company that employs them? My second question was, failing that were the directors prepared to put some of their own shares on the market, or did they know of any shareholders who were prepared to do that?

In both cases the answer I got was no, which to me seemed conclusive evidence that the expressed purpose of the bill at that time was not the real reason for it, because it was perfectly obvious that unless they were prepared to release shares held in the treasury, or unless the directors were prepared to sell