

*Private Bills*

into \$25 million that will give the number of shares.

**Mr. Herridge:** I just want to ask a question. Am I to understand that the par value of the stock at this date is \$5 a share?

**Mr. Ryan:** The par value, yes; but the market value is approximately \$93.50, just under 19 times the par value.

**Mr. T. S. Barnett (Comox-Alberni):** Mr. Speaker, I certainly would not wish to accuse the member who is proposing second reading of the bill of having cribbed the speech he has just made, but I must say that the speech I listened to, in which he outlined the reasons for the proposal to split the shares of this company, almost completely resembled a speech I heard on another occasion in this house. The speech of which I was reminded was made before the hon. member was a member of the house, I believe, and had to do with a bill to split the shares of the Trans Mountain Oil Pipe Line Company with which this house was asked to deal a number of years ago.

I do not know that I am prepared to oppose second reading of the bill and having it referred to the standing committee, but I must say that the arguments and reasons he advanced for the proposal to split these shares, and his great solicitude that small investors should have an opportunity to acquire stock in the company do not sound any more convincing to me than the similar arguments I heard advanced in respect of the Trans Mountain Oil Pipe Line Company years ago. I think most members realize that in relatively recent years there has been a great development in the construction of pipe lines for the purpose of the transmission of oil and gas from various places to various places throughout the country. This development has probably been a very valuable and worth while one so far as our economy is concerned. I am just saying, however, that there are some members in this house who are and have been a bit concerned about the arrangements under which these pipe line companies have been enabled to operate in a way that has made this business one that is lucrative almost without parallel in the economic development of our country.

We are concerned that this has resulted in a higher price for gas, oil and other petroleum products to the consumers of Canada. I think this question is tied in with the fact that shares which were issued at a par value of \$5 are now, according to the explanatory note, quoted at approximately \$85 or \$85.50

[Mr. Ryan.]

each. Apparently in the interval since the bill was introduced in the Senate, the shares have risen to something over \$90, if I heard the member correctly. I must say that this argument, that the splitting of shares will make shares more easily available to small investors, has not been very well borne out by the facts, so far as I know, in cases where the shares have been split. I think that in many cases over the years it has been proven that the real motivation behind this desire to split shares is to enable some of these companies to conceal successfully the rate of profit they are making upon the investment and upon the operation of their undertaking.

Some of us might be a little happier if some of those concerned who come forward with bills and advance this innocuous proposal in respect of their desire to split shares, would be quite blunt and frank about telling us why they want to split the shares. These are some of the questions that flashed through my mind immediately on hearing the hon. member who introduced this bill. He made a speech which, as I suggested, was virtually identical to the speech which was made from that side of the house by the hon. member who introduced the bill concerning the share splitting proposal of Trans Mountain Pipe Line a number of years ago. Certainly I, for one, hope that this bill goes before a committee where it will receive careful attention and examination from the point of view of determining why this proposal to split the shares is placed before this house. I hope the representatives of this concern, who I presume will be asked to appear before the committee, will be prepared to give some detailed information and be ready to offer explanations in considerable detail and depth about the operations of this company.

I may add, Mr. Speaker, that I hope they may be able to present somewhat more convincing and substantial arguments than the representatives of Trans Mountain Pipe Line were able to do when they appeared in a somewhat similar role a number of years ago.

**Mr. H. A. Olson (Medicine Hat):** We in this party realize what is being asked for in this bill is not something unique. It has been done before in this parliament in respect of companies that required a federal charter, and it has been done quite often for companies who are operating under provincial charter as well. We are not certain that there is a need to split the stock of this company. However, it seems to me that it is not our responsibility