

*Private Bills*

the additional route that would be necessary to bring it to Fort Frances from the south. I am not in a position to even guess what the mileage would be nor am I in a position to guess at the total sales. Both of these will have some effect on the situation.

A company could legitimately argue that if they brought their pipeline in from the south, if they had an export permit and were allowed to sell a large volume of gas en route to the Fort Frances complex, the price would be lower. However, we know from experience this is not true. This has never happened. Gas is not a lower priced commodity because every person on the street uses it. It is the same price whether there are only one or two customers on the street or if everyone uses it. It is doubtful whether a large number of subscribers would substantially reduce the cost of gas to the Fort Frances complex as well as areas situated along the pipeline.

On the other hand, Mr. Speaker, it could be argued that if the pipeline were built entirely in Canada, although the capital cost would be considerably higher than using an alternative route, the capital cost would eventually be written off. Through our tax structure these companies are given considerable assistance. Much of their capital cost is written off over a period of time. There would then be a short pipeline. The National Energy Board would calculate the cost on the distance involved. The transportation costs would be reduced and eventually the ultimate consumer would have the benefit of a reduction in cost.

I am not very concerned about this bill. I know the hon. member for Kenora-Rainy River (Mr. Reid) is very interested in it because it affects his area. We are pleased that this development is taking place. It is taking place at a very good time. For a number of years there has been a very slack market for the pulp and paper industry. Apparently this has now changed for the better and many companies intend to get into production very shortly. I hope the building of this pipeline will be of assistance to them.

I ask hon. members to give consideration to an all-Canadian pipeline. I ask them to consider the advantages we will receive in terms of reduction of costs which is very important to the ultimate consumer. Also we will have control over this facility if it is totally under one agency. Mr. Graham, who represented the company, pointed out that there will be two sister companies, one to handle relations with the federal agency in the United States and the other to handle relations with the National

Energy Board in Canada. These companies will operate under significantly different criteria and often under legislation that is not necessarily designed to produce the same results. These two companies will be under the control of a third company, the parent company. Hon. members will agree this creates a complication which would not have arisen if the complete pipeline were built in Canada. When one or two committee members made inquiries about this matter, Mr. Graham commented that they had tentatively studied an alternate route but dismissed this. He did not have any figures to offer nor did he offer an alternative.

● (5:10 p.m.)

I think that the hon. member for Kenora-Rainy River, after he gets over being pleased to have this gas coming into the area, may be concerned about the cost. Many factors contribute to cost and one would be the shorter distance in Canada; a second would be that capital costs will eventually be written off. The pipeline will operate as a transportation facility long after the capital is repaid.

The fact that we ask questions about the ownership and control of the company by Canadians means little when we cannot write in and are not writing into the corporations act any limitations on the sale of shares. It is not like the banks and life insurance companies where we have legislation to ensure that the situation does not change. If the 300-odd Canadian shareholders should decide to sell out, then the situation would be changed.

While I am not particularly concerned with this company, Mr. Speaker, I am concerned with the attitude of some Canadians and of some members of Parliament to this over-all problem. It is my opinion that we will have to face a very serious decision in the next few years regarding a new transcontinental oil line. It is my hope that the things that make up the desires and aspirations of a nation will be taken into consideration, as well as the fact that a particular company may not want to go through the rock and water of northern Ontario but would rather detour through the United States. This would mean that a foreign agency would be able to control one of our natural resources. Hon. members should give some consideration to this, not particularly because of this bill but because this bill does, in a small way, point out many of the problems we are going to have with pipelines in the future.