

Trans-Canada Pipe Lines

hands of a small band of speculators and it is more than parliament voted by way of increase for the senior citizens of the country. Yet the Minister of Finance (Mr. Fleming), when he brought down his tax proposals the other night, continued to show that tender solicitude towards these interests in his policy of refusing to consider a capital gains tax. This parliament is not ready yet to tax these gains. Surely, that is not acting in the interests of those we were called together to help the old people, the blind, the disabled, the veterans, the people who have built up this country and made the wealth of this country as we know it today.

Nothing personal was said by the hon. member for Rosetown-Biggarr about the chairman of the commission that the government proposes to set up. The hon. member showed that the chairman's interests absolutely committed him to take a line that was contrary to the policy adopted by the Conservative party in the debates of June, 1956. Mr. Borden is not just the president of Brazilian Traction, he is president of two subsidiary gas companies of Brazilian Traction. Here he is, the president of two gas companies in Brazil, committed by his life, his actions and his work to the defence of those interests. How would it appear if he decided that it was in the public interest in Canada that Trans-Canada should be a public utility, publicly-owned? Would that not redound immediately against the interests of his companies in Brazil? Of course it would. We know the pressure there is against foreign domination of the economy of Brazil, and such a finding would immediately become news in Brazil. How could Mr. Borden, the chairman, the most important man on the commission the government proposes to set up, take a position against foreign domination of this Canadian life line? Does he not have to make a case in Brazil for foreign ownership and control of Brazilian natural gas companies? Could he be expected to take the other side of the question here? The chairman of the commission is necessarily committed by his business connections to a policy which will not safeguard Canadian natural gas from foreign domination, a policy which cannot conceivably give to the consumers, the people of Canada generally, public ownership of that natural gas company.

In making his case, the Minister of Public Works was in error in suggesting that it was a personal thing. However, it is such a powerful case that the hon. member has made that even if the government has to continue this commission to investigate the long-term uses

of energy in Canada and the ultimate regulation of those energies, gas, electricity, uranium and so forth, it should reconstitute that commission to make sure that none of the members, especially the chairman, is committed by business connections to taking a position which would not be in the interests of the Canadian people.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I think it is well that at this time some of us who have been interested in this question of gas and oil production in Canada for a long time should lay some of the facts before this house that will enable us all to see this thing in proper perspective. I might say, in my own case, that long before we heard from many people in this house about this question of the exploitation of producers and consumers there were voices raised in western Canada pointing out these facts. These facts are on the records of newspapers in western Canada and were there long before we heard from any of our friends who sit in one corner of this house.

Today I heard remarks passed about the sincerity of this government. I think before we measure this sincerity we had better learn to take a good look at ourselves. I refer particularly to a little episode in Saskatchewan which occurred not so long ago known to the Saskatchewan people as the Regina outdoor theatre. There were four men in that province, the Hon. Mr. Fines, the Hon. Mr. T. C. Douglas, a Mr. Bodneff and a Mr. Shumiatcher, who entered into association, and who put up approximately \$4,000 in capital for equity shares in a theatre worth \$150,000. Here we have an identical case to what has been happening in connection with this oil business. Here we have a group of men visualizing the possibility of capital gains. They have invested \$4,000 in equity stock and then they go out and borrow \$90,000 on debentures, allowing the profits to pay off their debentures. Then when they sold the theatre it would be worth the market value which, at one time, was approximately \$150,000.

I was not one of those people in Saskatchewan who condemned these four men for doing what they did because that was one of the techniques used by businessmen to try to avoid paying income tax, to get a capital gain. I maintain that in any kind of transaction such as this, where we condemn one group of men for doing something, we should be equally fair and condemn other groups for doing the same thing. I think these facts put a different light on the words spoken by the hon. member for Rosetown-Biggarr (Mr. Coldwell). Where was he or any other member of his party in Saskatchewan when this matter