

*Northern Ontario Pipe Line Corporation*

the province of Alberta; they have the necessary contract; they have the necessary technical know-how; and they have the necessary organization which is so vitally important to a tremendous undertaking of this kind.

We have heard a great deal in this house about United States control. As a matter of fact, it is my submission, Mr. Chairman, that the opposition have brazenly and irresponsibly distorted this whole question. We heard a long speech from the Leader of the Opposition yesterday to the effect that 51 per cent of the shares were not going to be issued to the public of Canada. We then heard the Minister of Trade and Commerce say, as he said on numerous occasions, that 51 per cent of the shares would be issued to the Canadian public. Mr. Tanner, president of Trans-Canada, has reiterated that on many occasions. But the important thing, Mr. Chairman, is the fact that this pipe line is being built entirely in Canada. Now, of course, hon. members opposite do not have to take my word as to the importance of that score. I will read from what should be an unimpeachable source to them; namely, the premier of Ontario. Premier Frost says, and I think it is worth repeating:

In addition to what has been said about the control of this company, whether the Canadian shareholders have the opportunity to take 51 per cent of the stock, or anything of that sort, the fact of the matter is that the construction is in Canada, wholly within the jurisdiction of our country, and is subject to the legislative enactments not only of the government of Canada, but of the provinces through which it passes. That in itself is the real essential of control.

I repeat:

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It strikes me that the Leader of the Opposition, with due respect, knows very well regardless of how many shares are issued to the Canadian public, as has been pointed out in this house, there is no guarantee that this pipe line will remain entirely in Canadian hands unless the government builds the pipe line, of course. He knows that very well and why he took up the time of this house yesterday to go into a long and detailed explanation concerning the 51 per cent, Mr. Chairman, I do not know unless it was his intention simply to waste time.

Another point about Canadian control, as the Leader of the Opposition very nicely pointed out yesterday, is that under section 151, part III, of the Companies Act a majority of the directors must be British subjects resident in Canada. That is important and it was extremely interesting to me that the Leader of the Opposition mentioned that point. I think that also constitutes Canadian control. It shows that this company is subject once again to the laws of this country

[Mr. Hollingworth.]

and, as Premier Frost said, it is subject also to the laws of the different provinces through which the pipe line passes. This pipe line is running through Canada. It is subject to Canadian laws and Canadian jurisdiction and Canadian export permits. It is entirely subject to Canadian control and I do not think we can point that out too often in this house.

Now, Mr. Chairman, I come to the point of public ownership. I at least concede that my hon. friends opposite in the C.C.F. are consistent. At least they have some logic to their position. However, when I hear my hon. friends in the Conservative party talking about Canadian capitalists building this line I think sometimes they are speaking with their tongues in their cheeks.

Why should we not build this pipe line under public control? I think the Minister of Trade and Commerce has pointed out the nub of the matter and I think there are three compelling reasons why it is not practical, reasons which militate against the building of this pipe line under public ownership.

First of all, I might say I am in favour of any form of public ownership where there are conditions of complete monopoly, and when I say that I am talking about a public utility where there are conditions of complete monopoly. But here, surely the situation is different. First of all the government would be dealing with producers in Alberta and private interests at one end and with consumers in Ontario at the other, through private interests like the Consumers Gas. Surely it would put the government in a most unenviable position if it had to deal with people at one end who want the highest price and with people at the other end who want the lowest possible price. It is all right for my hon. friends in the opposition to say, "So what?". It certainly would be a most undesirable position in which to put the government unless it were absolutely necessary.

Also, we have the matter of competition. We have the coal and oil producers in Canada. Surely the people in the maritimes would not like to have natural gas controlled by the government competing against the coal producers in Nova Scotia. I submit to my hon. friends opposite in all sincerity that is an extremely important argument against public ownership which makes it difficult to concede that public control is the best method of handling this.

Another reason, as Premier Frost pointed out in the Ontario legislature, is that if we are going to build under public ownership we are going to have to obtain agreements with several of the provinces—at least four