

Northern Ontario Pipe Line Corporation

Mr. Chairman, hon. members of the opposition appear to be greatly distressed by the fact that the capital which has so far been put into Trans-Canada is predominantly from the United States. They profess to see in this a "sell-out" of Canadian interests, and they have applied to those of the sponsors who come from the United States terms which one might expect to hear from a banana republic revolutionary, but not from any Canadian statesman.

Those who cry "sell-out" and "Texas buccaneer" are misrepresenting the facts. Also, as they have already found, apparently to their own surprise, they are scaring the goose that lays the golden eggs.

Mr. Rowe: Some goose!

Mr. Howe (Port Arthur): I repeat that the pipe line will be built wholly within Canadian territory. It cannot be built without a permit from the board of transport commissioners. Not a cubic foot of gas can be exported to the United States without a permit from the Canadian government. Prices to United States customers, by the terms of the export license itself, cannot be more advantageous to the buyer than those offered to Canadian customers. The entire project is subject to Canadian law. Parliament can at any time legislate whatever further regulations are considered to be in the national interest. In other words, an all-Canadian pipe line, whoever may own it, is completely under Canadian control.

The confusion of the Leader of the Opposition is illustrated by his complete misunderstanding of the really important and unusual provision which is being made by Trans-Canada in regard to its share marketing program. When I described this provision on March 15 the Leader of the Opposition sneered at it, using the terms "shallow pretence". He foresaw some juggling of share issues which would result in the offer of 51 per cent of the common stock to Canadians becoming meaningless. Now, I am more or less accustomed to the Leader of the Opposition accusing me of misleading the house, that being his idea of statesmanship, but his inability to understand a straightforward proposition continues to amaze me.

I wish to state again the proposal which Trans-Canada has made with regard to the issuance of shares. I shall do so in the words of the agreement among the sponsors. Section VI of that agreement states:

Trans-Canada declares and agrees that its arrangements for the financing of the costs of construction of the west-east natural gas transmission line proposed to be built by Trans-Canada will include a public offering in Canada of common shares of Trans-Canada's presently unissued capital stock in an amount not less than 51 per cent of

[Mr. Howe (Port Arthur).]

the total number of common shares of Trans-Canada to be outstanding after such offering has been made including the shares covered by such offering, and that it is Trans-Canada's intention to effect a wide distribution of such shares throughout Canada.

This is a solemn covenant, laid before this house and this country by the responsible companies who are sponsoring Trans-Canada. To suggest that its intent can be perverted by subsequent share issues is to reveal ignorance of the fact that before mortgage financing can be arranged, the equity capital must be stated and the related share issue registered and fixed in the trust deed or mortgage indenture.

Whenever I have mentioned this 51 per cent offer, I have taken care to point out that it does not guarantee control by Canadians. We cannot force Canadians to buy the shares or, having bought them, to keep them. Short of public ownership there is no way of guaranteeing Canadian control of the shares. If public ownership is what the official opposition want when they demand Canadian control, let them stand up and be counted with the party to their left, who at least advocate public ownership out of intellectual conviction, not out of intellectual confusion. I hear, however, that intellectual conviction on the part of Saskatchewan socialists stops short at gas and does not extend to cement plants.

If the Progressive Conservatives are not prepared to vote with the socialists, then let them have the grace to admit that this undertaking by Trans-Canada is most unusual in the provision it makes for whatever Canadian equity capital may desire to join in the venture. I repeat that, short of public ownership, it goes as far as could reasonably be asked to protect the Canadian interest.

In summing up, I submit that this is a prudent and practical proposal. Its purpose is to hasten the day when Alberta will have an adequate outlet for its surplus gas, and the day when the cities, towns and industries of Saskatchewan, Manitoba, Ontario and Quebec within economic range will have access to this fuel. It is an undertaking of truly national scope, which we must either launch now or see languish for years to come. The means proposed are flexible, adaptable either to development by private enterprise, which is in keeping with the tradition and spirit of this country, or if necessary by public ownership, which though less attractive can still be moulded to our national needs.

Mr. Chairman, it is obvious that some hon. members prefer to obstruct this motion rather than debate it; therefore I beg to give notice that at the next sitting of the committee I shall move that the further consideration of