

Mr. NUGENT: Mr. Chairman, I suggest that the company has appeared before this parliamentary committee first because parliament has the authority and the power to refuse incorporation. If parliament does not grant incorporation, then the company will not be in a position to spend the \$50,000 to \$100,000.

Mr. DRYSDALE: We are not being given very much information on which to base our approval of incorporation.

Mr. NUGENT: Mr. Chairman, perhaps I am wrong in my understanding, but I thought it was incumbent upon the national energy board to decide whether a proposal is feasible. It is my understanding that parliament had decided that a committee of parliament did not possess the technical know-how to make decisions in respect of feasibility and other related problems and had, therefore, set up this energy board of specialists. We therefore feel it proper to come before parliament seeking incorporation and then to proceed to make a feasibility study to present to the national energy board. I suggest to do it the other way would be to do it the wrong way, particularly if my understanding of the functions of the national energy board is right.

Mr. DRYSDALE: Mr. Chairman, I emphasized that I was not relating this problem specifically to this proposed company and application before the committee. However, if the principle as I have stated it is correct, I suggest that each company should be given a pro forma grant, and allowed to proceed with a feasibility study to be presented to the national energy board.

Mr. NUGENT: For all practical purposes a proposed company can obtain incorporation by merely complying with the necessary requirements, without going to the legislatures of the provinces at all. All this committee is being asked to do is to approve this corporate entity. By doing so this committee is not putting the stamp of approval on the scheme or proposal. It is our information that this bill embodies an objective which will be of benefit to the country, and the company seeks incorporation. Once incorporation has been granted, this corporate entity must apply to the appropriate authorities before proceeding with the construction of the pipe line.

Mr. CROUSE: Mr. Chairman, Mr. Drysdale has asked the questions I had in mind, but I am still concerned with another situation which exists. It is my feeling that an individual or a group of individuals should appear before the national energy board and get approval before seeking incorporation. If that procedure were followed this committee would be faced with an application for incorporation of an approved proposal rather than an idea. We are now being asked to incorporate an idea, as I see it.

Mr. NUGENT: Mr. Chairman, in that regard I am very distressed at this point by the suggestion that we are being asked to give approval to an idea. I suggest the committee is not being asked to approve an idea at all. This committee is being merely asked to grant an application to these people to set up a corporate entity with certain powers. Whether the proposal is feasible or not, or whether the idea is right or wrong, is not an inherent necessity to the incorporation of a company. Parliament has set up a special body to go into the merits of the scheme or proposal involved. I suggest that this committee has gone into this question at great length in the past and that the purpose of setting up the national energy board was to do away with any suggestion that a committee of parliament by granting incorporation was approving a scheme or proposal. By granting incorporation this committee is allowing the creation of a corporate entity. The mere granting of authority to form a corporate entity does not involve the granting of approval in respect of any proposal or scheme advanced by this corporate entity. I suggest the only consideration with which we are concerned relates to whether this company should be incorporated.