

and that they have an option on this pipe. Surely if anybody takes out an option on something, it does not matter what it is, and if they cannot take up that option, what happens? Is that option going to continue forever? No; there is a time limit on all options. When those options expire, the pipe company is in a position to sell its pipe to somebody else. The government says it will perhaps take until 1958 to get pipe. That pipe was made for the trans-Canada pipe line, and the company that made the pipe will sell the pipe to whatever agency builds the pipe line.

I want to say something about private ownership. I believe the people of Canada will be better served under a public ownership system such as the minister has himself been talking about, because a government agency or a public utility is set up for the purpose of providing that public utility at as low a cost as possible. We have had illustrations of public utilities in Canada for many years. This year the Ontario Hydro-Electric Power Commission, which had a wonderful period of success, are celebrating their fiftieth anniversary. I want to read to the house just two of the congratulations that appeared in today's issue of the *Globe and Mail* to Ontario hydro on their accomplishments during the past years. I just picked out two at random. The Davis Lumber Company said:

We wish to extend our best wishes to Ontario hydro on the celebration of their 50th anniversary and to offer our congratulations on their magnificent accomplishments through the years.

I just wonder how many congratulations we can offer to Trans-Canada Pipe Lines today on the accomplishments they have made during the past years, and I wonder whom in the next 50 years the people of Canada are going to congratulate—

An hon. Member: C. D. Howe.

Mr. Campbell:—on their accomplishments. Are they going to have an opportunity to congratulate a crown corporation that has given them gas at cost, or as near cost as it is possible to offer it, or are they going to say, "We wish we had never seen Trans-Canada Pipe Lines"?

Another statement of the minister's about which I wish to say something is the one he made about the organization of this company. The minister said:

It has an organization of men experienced in pipe-line construction and operation.

I wonder just how much of an organization these people have. These people have been drilling oil and gas wells. That is the kind of organization they have. They have got an organization to drill oil and gas wells.

Northern Ontario Pipe Line Corporation

I want to say something about what has been done to give the minister an idea of what can be done. In the province of Saskatchewan we found gas only two or three years ago. What did we do in Saskatchewan? The government decided that the best policy, the policy that would suit the interests of the people of the province, would be for the government to build the pipe lines. The government did not have an organization but it did not take very long to set up an organization. They set up their organization. They got an experienced contracting firm with experienced men from the United States to come to Saskatchewan and build their pipe lines for them. The people of Saskatchewan, especially the people in the city of Saskatoon, were amazed at the speed with which the pipe lines were built. Within the next year our cities will all have gas and we are rapidly approaching the point where every fair-sized community in the province will be served.

I want to say something else to support my contention that the federal government should have its own crown corporation go ahead and build the pipe line. It is quite significant that the Toronto accounting firm of Clarkson, Gordon and Company, who were appointed by the Ontario government to look into the economics of the whole pipe line, declared in their report that "an all-government owned pipe line would be economically feasible even though no sales were made to the United States."

Other advantages of a publicly built line are obvious. The government can build the line much more cheaply because it has the ability to raise money more cheaply than a private enterprise firm. The interest rate factor is extremely important. A crown corporation with government guarantees could raise money at 3 or 3½ per cent, while private firms would have to pay, for a construction project of this kind, almost double the interest rate on money borrowed.

The annual carrying charges on a government owned project have been estimated at 6 or 6½ per cent and on a privately financed project 13 to 14 per cent, or about double. It is quite apparent that, apart altogether from the important fact that a government owned line would place the control of this vital energy resource in Canada, it would also mean a substantial financial saving to Canadian consumers.

Again, an income and a sales tax apply to privately financed projects but not to a project built by a crown company. Further, government backed schemes can be amortized for a period as long as 40 years while privately financed schemes can only be amortized for about a 20-year period. As a result, for the