

In this bill, as in the other bills, there is also a provision that the company may pay a commission to any person subscribing for stock. Some reference was made to this in the debate on the other bills. Unless there were such a provision in the bill the company would have no power to pass a bylaw authorizing payment of commission.

When the bill is in committee the sponsors will be present to give any further information required.

Hon. Mr. Haig: When the honourable senator from Ottawa (Hon. Mr. Lambert) was explaining his bill, he told us what company was sponsoring it. Will my honourable friend give us similar information with respect to the present bill? The names mentioned in the bill mean nothing to me.

Hon. Mr. Campbell: The sponsors of this bill are a group of independent operators who are at present engaged in exploration for gas and oil in the Province of Alberta. They are not associated with any of the large or small oil companies.

Hon. Mr. Kinley: May I ask the honourable gentleman whether these pipe line companies come under the control of a public utilities board or commission in any province and will the rates charged by the companies and their issues of stock have to be approved by any such body?

Hon. Mr. Campbell: I understand that in so far as gas is concerned the companies are under the control of provincial authority, but the pipe line business will of course come under the jurisdiction of the Board of Transport Commissioners. As to rates chargeable for distribution by pipe line, a provision in the general Act requires companies to file their tariffs with the Transport Board.

Hon. Mr. Kinley: In Nova Scotia and, so far as I know, in all other provinces, a business which is declared to be a public utility is required to have its stock issues, distribution of profits and so on, approved by a provincial board. We have been told that some of the companies sponsoring these bills distribute gas and oil. What I am more concerned about is water, which does not mix very well with oil. In fact, the kind of "water" I am referring to does not mix very well with anything. My experience shows that one of the main things we have to see to when considering legislation of this kind is that it prevents the introduction of too much "water" and makes it possible for people to get value for the money they put into the business. The time to make sure about that in connection with these pipe line companies is now. When the prospects of a company are very rosy there is a great temptation to allow

"water" into its capital structure, and it must be remembered that every dollar paid for stock which does not represent value will cause the prices that must be paid by consumers of the company's products to be higher than they should be.

Hon. Mr. Leger: Does that apply also to products of the liquor commissions?

Hon. Mr. Kinley: Certainly it does. As a matter of fact, the most imprudent people are the ones who pay a high price for liquor. If I were giving a temperance lecture to those who drink, I would say to them, "You are very foolish, because on this liquor you pay a heavy tax to the government, which then spends your money for the benefit of other people." I do not want parliament to pass legislation permitting the capital structure of these pipe line companies to contain watered stock.

Hon. Mr. Campbell: I misunderstood the question of my friend. I thought it was directed to gas and oil, but since it refers to "water" I think I can satisfy the honourable gentleman.

Hon. Mr. Kinley: "Water" is a result.

Hon. Mr. Campbell: All of the provinces have certain security laws to which companies incorporated by special Act or by letters patent are subject, provided of course they aspire to any public financing.

Hon. Mr. Kinley: There is such a thing as falling between two stools. Is it possible that too many may have authority, with the result that no one has the controlling authority?

Some Hon. Senators: Question.

The motion was agreed to, and the bill was read the second time.

SUSPENSION OF RULE

Hon. Mr. Campbell: I move that rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

Hon. Mr. Campbell moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of E-8, an Act to incorporate Trans-Northern Pipe Line Company.

He said: Honourable senators, this bill follows the same form as the bills previously before us. Without going into detail, I may