we are to infringe upon any aspect of their sovereignty, even for an apparent economic advantage. This is a further weakness in the so-called exchange plan. Its proponents seem to take it for granted that our good friends to the south would enter readily upon such a plan, which in the nature of gas transportation would have to be firmly committed on both sides for at least 20 years. All the evidence suggests that the responsible United States authorities feel as we do, that dependence upon foreign supplies can be accepted only cautiously and to a limited extent, and that commitments of gas to foreign markets can be entered into only in so far as the gas is clearly surplus to domestic requirements. In these circumstances, to assume that an unlimited gas market is available in the United States to Canadian producers, or that if it exists it can be made available more quickly than a comparable Canadian market, is no better than wishful thinking.

Public ownership of the whole all-Canadian line was, of course, advocated by some, and still is. I am not opposed to public ownership as a matter of principle. Neither is this government. There are circumstances in which public ownership is right and proper. But this government does not believe—as do some of our socialist friends—that public ownership is, as a general rule, preferable to private enterprise.

As far as a transcontinental gas pipe line is concerned, I believe that the arguments are all in favour of private ownership. Gas is only one among several competing fuels and sources of energy. It is not a monopoly. Nor do I think that it would be in the public interest for any government to subsidize the transmission of gas, providing unfair competition to coal and oil producers.

To me, therefore, public ownership of the all-Canadian line is definitely a second best. It is a second best rendered even less attractive by the difficulty which would be faced by any government operating a gas transmission and sales system: the difficulty of arbitrating between the competing claims of the producer for maximum field price and the consumer for minimum retail price. These are the reasons why the government has sought some reasonable proposal to lay before parliament which would bring about the early building of a privately operated and privately owned transcontinental gas transmission system, and which would contain the necessary safeguards to the public interest and the public treasury.

Such a reasonable proposal has now been brought forward by Trans-Canada Pipe Lines Limited. This government is sufficiently impressed by its merits and prospects of success that it is prepared, subject to the approval of parliament, to enter into the construction and temporary ownership of a portion of the proposed pipe line.

This government and the government of Ontario have kept in close touch about developments respecting gas for several years. When Trans-Canada brought forward the proposal which has resulted in this legislation being placed before you, we proposed to the government of Ontario that the two governments join in carrying the proposal forward.

At the opening of this session of parliament I tabled a copy of the agreement between the government of Canada and Trans-Canada Pipe Lines Limited dated November 21, 1955, and of the concurrent exchange of letters between the governments of Canada and Ontario. These documents embody the arrangements that the government is now seeking to implement by the present bill.

As hon. members are no doubt aware, the Ontario government has already placed before the legislature of Ontario the bill to enable it to participate. This bill is entitled:

> An act to facilitate the introduction into Ontario of natural gas from Alberta by means of an all-Canada pipe line.

The bill is a short one. It reads:

> Whereas the transportation of natural gas from Alberta to central Canada is a vital necessity to supplement the energy resources available for the continued industrial growth of Ontario;
>
> And whereas the carriage of such gas through a pipe line situated entirely within the jurisdiction of Canada and running across northern Ontario is in the public interest of Ontario;
>
> Therefore, Her Majesty, by and with the advice and consent of the legislative assembly of the province of Ontario, enacts as follows:
>
> 1. For the purpose of implementing the arrangements made or to be made between the government of Canada and the government of Ontario to facilitate the construction of a connecting link through northern Ontario of a pipe line to transport natural gas from Alberta into central Ontario, the treasurer of Ontario is hereby authorized to loan from time to time out of the consolidated revenue fund any sum of money, but not more than $35,000,000, to a corporation constituted or to be constituted on behalf of Her Majesty in right of Canada and having as a purpose the construction aforesaid.
>
> 2. This act comes into force on the day it receives royal assent.
>
> 3. This act may be cited as the northern Ontario pipe line act, 1956.

Those of you who have read the statements of Mr. Frost and Mr. Porter in presenting this bill will know that the government of Ontario has studied this matter independently, and with the benefit of disinterested professional advice. They will know that the government of Ontario has considered the same alternative courses of action that occurred to us, and has rejected them for substantially the