

*Northern Ontario Pipe Line Corporation*

the house. Once this legislation is passed, and the pipe line under way, it is quite within the bounds of possibility that the company can demonstrate ability to meet its debt service. Under normal circumstances a gas transmission company would then expect to be able to raise by normal means the funds it requires under those circumstances.

In other words, the question the line can be financed without export is being largely answered by the volume of sales that are being booked by the transmission company. I have very little doubt that by autumn it will be possible to finance the line in Canada independently of export.

I was asked what the government's policy is regarding public investment. I think that policy has been made clear over the years. If there is a job which needs to be done that private enterprise is unwilling to undertake, it has been the policy of the government to do that job as a government enterprise. I can think of several examples; for instance, Trans-Canada Air Lines. No private enterprise was willing to tackle that job at the time. Polymer is another. I can name several other jobs that have been done by the government for the reason that private enterprise was not willing to undertake them.

**An hon. Member:** And done well.

**Mr. Howe (Port Arthur):** We believe that private enterprise can usually do a job better than the government.

**An hon. Member:** In the case of T.C.A.?

**Mr. Howe (Port Arthur):** Perhaps if private enterprise had started T.C.A. it might have done better.

**An hon. Member:** The C.P.A.?

**Mr. Howe (Port Arthur):** The C.P.A. started with a rich uncle. In any event that is government policy. If the only way of getting this pipe-line project built should be to build it as a public enterprise, the government would regard that as its responsibility. But the government believes that a gas pipe line is peculiarly a project for private enterprise, for the building and operation, and the government is doing its utmost to keep this project in the hands of private enterprise.

It has been represented that this will be a great gold mine for the owners of the shares. I hope so, because, as I have said, we are making sure that slightly more than half the shares will be sold to Canadians. If there is a gold mine in the project, I want to see Canadians benefit, but I would not buy shares myself with any expectation that they represent a gold mine.

This is a very long pipe line, and while I am satisfied that it will be a fair investment I think it is most unfortunate when the hon.

[Mr. Howe (Port Arthur).]

member for Winnipeg North starts counting up the millions of dollars that will go to the owners of the common shares. Every common share outstanding represents an investment of at least \$8. The original shares were sold at \$8 per share, and since then they have been sold at \$8 plus interest from the time the first shares were sold. When the line is financed, shares will be issued to the distributors at \$9. The cost of distribution will probably be \$1 per share, and they will be offered to the public at \$10.

This idea that the insiders are making a killing is absolutely wrong. Many times the men who have been working at this problem, working their hearts out trying to get it moving, have said to me, "If we could get \$8 back and have a chance to buy the same shares at \$9 or \$10 when the line is in operation, it would be the greatest transaction we have ever made."

It has been said that this is an improvident transaction, that it is a sinister transaction. I would just like to say that I have been working for the government for 21 years and I have been working as an engineer in private practice for another 20 years, and I think I have a pretty good record. I do not think anyone can point to any particular project and say that through bad judgment on the part of Howe he lost money in the transaction, or at any government project carried out under my direction and say that is a project in which the government of Canada did not get back a proper return.

The point I am making is that I am getting on in years and this may be the last big project I will be called upon to undertake for the government of Canada. I want to assure hon. members that it is not my purpose to close my years of engineering practice and public life by undertaking a project that is an improvident project for the government, a project which will stand to my discredit over the years.

I am confident that this project will work out to the advantage of Canada. Hon. members have referred to the crisscross networks of pipe lines in the United States. It is true that pipe lines take gas to every corner of the United States, to almost every town and village in the United States. Are we in Canada to carry on in competition with that great country without the advantages of natural gas being brought to various communities? For the communities where the gas originates, there will be the possibilities of petrochemical works, and then there will be the advantages that the delivery of gas will bring to industry and the comfort it will provide to home owners.