

*Northern Ontario Pipe Line Corporation*

government is taking steps to assist in the setting up of a privately owned monopoly which is going to be controlled by finances outside the country it is that much worse.

I am glad that at least the leader of this party has set before this committee and this country a constructive and clear-cut proposal as an alternative to what the government is proposing. I have no desire to get into any dispute with the Leader of the Opposition about his remarks this afternoon. They were very lengthy remarks, which of course was quite proper when he was discussing the longest pipe line in the world, but I must confess that when he was through I was not quite sure what his party was proposing as an alternative to what is now before the committee. He did review two or three different projects or plans which he thought might be considered, and he did say that under certain circumstances, if I interpreted his remarks correctly, as a sort of last resort he might be inclined to agree with the proposition of a publicly owned pipe line across Canada. But certainly he surrounded it with enough qualifications and escape clauses so that at the present moment it is hard to visualize exactly what he would propose.

The closest I could come to it would be something like this, that if this pipe line, this gas monopoly, were owned by private concerns in Canada exclusively or to a greater extent than by United States interests, then he would have no objection to it. Of course that makes the situation rather clear-cut as far as we are concerned, because I shall admit that if we have a choice as between a Canadian owned monopoly and a United States owned or controlled monopoly, we would be inclined to accept the Canadian because we are Canadians. Certainly, however, if we have to choose between a private monopoly and a publicly owned utility, we will go for the publicly owned utility. I shall give my reasons for that in a moment.

I have said that this legislation sets up a monopoly. The Minister of Trade and Commerce, in introducing the resolution today, went to some pains to point out that there is an undertaking—so far as I can see it is only a verbal undertaking, and certainly it is not part of the agreement that is attached to this legislation—that this company is going to offer 51 per cent of its outstanding stock to the Canadian public, and by that means tried to leave the impression that this would assure Canadian control of this company. I think the Leader of the Opposition demolished that argument rather effectively, in his speech today.

I might add that there is no guarantee whatsoever that even if there were 51 per

cent of the outstanding stock of this company offered to the Canadian public, it would be in fact owned by the Canadian public. In the first place, if it were offered as a public issue there would be nothing to prevent United States capital from coming across the line and buying up the stock, or using Canadian subsidiaries or stooges to buy it up on behalf of United States interests. Eventually, so long as the issue of stock remains in private hands, there is absolutely no guarantee whatever, and there cannot be any guarantee, that the ownership of the pipe line will remain in Canadian hands. On that we can be perfectly clear.

We can ensure that this public utility, which in fact is going to be a monopoly, can be retained in Canadian ownership only if it remains in public ownership in the right of Canada. That is why we are particularly concerned that the government should give consideration, even at this late date, to building the pipe line as a public utility to be built either by the federal government or in co-operation with the provinces.

My own view is that we would have an ideal situation for the future if the federal government were to finance, build and own the trunk pipe line from the Alberta gas fields to eastern Canada and if the provincial governments concerned were to undertake to build lateral lines north and south in order to serve the various communities within the province, as a public undertaking. That would give an opportunity to the municipalities, the cities and towns within the provinces, to set up publicly owned utilities on a municipal basis to serve their local needs, and to be the distributors.

In that way we would have an integrated publicly owned utility which would be able to protect the public interests at every step. As it stands now, the proposed legislation favours the private interests. It fails to protect the public interest. It fails to protect the interests of the provinces and municipalities through which it will pass, and can only result in providing an advantage to United States industry over Canadian industry.

There is another reason why we believe that a publicly owned utility in this field would be in the best interests of the future of Canada. It has been mentioned in this debate that natural gas, although it is a very important source of fuel and power, is only one of the sources of fuel and power in this country. There are also oil and coal, and there will be in the future atomic energy and perhaps new forms of energy about which at the present time we do not even know. In those circumstances, surely it would be wise to have some sort of national fuel policy, some sort of integrated planning, in order that all these various forms of energy,