

Northern Ontario Pipe Line Corporation

Mr. Stewart (Winnipeg North): There is another aspect of this matter. We were told last year that Gulf Oil—this United States owned, this United States dominated company, would not sell gas to a government-owned pipe line. I should like to know just how much truth there is in this statement. I should like to know in what way the government has genuflected toward this corporation and accepted their word for it. If the government wanted to go ahead and get the gas there is no question in my mind that they would be able to do so, despite the denial of these Americans of the sale of gas to a government-owned pipe line.

We have been told it would be difficult to get a permit from the board of transport commissioners, and that sort of argument is really reducing absurdity to the nth degree. The board of transport commissioners is another creature of this government. All that need be done would be for the Minister of Trade and Commerce to send one of his men down to the chairman and tell him to call a meeting of the board and approve the permit, and it would be passed.

There is another argument which has been advanced. We have been told that only Trans-Canada has the pipe. It is true that Trans-Canada has an option on the pipe. We are told that no other company can get this peculiar size, 34-inch pipe. But if Trans-Canada has an option on that pipe, I suggest that if the government are interested in public ownership—and unfortunately they are not interested—all they have to do is take over Trans-Canada Pipe Lines in the same way Eldorado was taken over during the war; buy out the shareholders, and then we have the pipe. The pipe is available to build that system under public ownership. There can be no question about that. The pipe may not be available to private entrepreneurs who wish to build their own pipe line, but to say the pipe is not available as an argument against public ownership is merely arguing against the facts of the situation.

We were told by the minister that a pipe line which was nationally owned would be difficult to operate, that there would be conflict between the producers and the consumers. Yet if the government were to take over Trans-Canada Pipe Lines it would take over its present contracts. This company has contracts with producers starting at 14 cents per thousand cubic feet and working up gradually by a quarter of a cent every few years. The contracts are already there. There might be some difficulty with contracts at the other end, with the distributors, but we also know there are already about 140 million cubic feet per day in contracts. We also know that demand in this province of Ontario is very

[Mr. Hahn.]

great. I cannot see any great difficulty in finding other distributors who would be only too happy to sell that gas and pay for it. There would be no question about the price, because the price to the producer has already been settled. The only duty would be to see that the price to the consumer was not too inflated so that the majority of people would get the benefit of the gas. This could be done to some extent, in fact appreciably, through government ownership.

Then there is another aspect which has not been brought up in this house, and that is the inflationary nature of this legislation. We are told that we are in an inflationary period. The government has become somewhat alarmed about it and so, through the Bank of Canada, interest rates have been increased. The chartered banks' reserves have been cut down so that they, in turn, have reduced their loans to even the most legitimate borrowers on the Canadian scene. I have had case after case of house builders coming to me and saying, "I cannot get a loan from the bank, and I am finding it even more difficult to get loans from insurance companies to finance the housing which is needed in this country."

There is an inflationary spiral it is true, possibly to some extent under control. Does one imagine for a moment, if we accept the word of the Minister of Finance that the creation of this pipe line will lead to a capital expenditure of a billion dollars, that this will not add appreciably to the inflationary spiral in this country? Yet we have newspapers like the *Winnipeg Free Press*, whose economics are still somewhere in the dark ages, arguing that it may be inflationary in eastern Canada but it could not possibly be inflationary in the west. It is a fatuous argument to use in a closed economy. As a matter of fact, the income of farmers in the west may be much lower than it has been in other years, but the cost of those things which they have to buy is still as inflated as ever.

There have been arguments put up in favour of this proposition and we have answered them. We are prepared to continue to answer them, but we would like to hear some of the arguments against what we have to say. Instead of that we are faced with this legislation which is completely riddled with anomalies and that, of course, is the end result of a government which is confounded by its own confusion.

Mr. Hahn: Mr. Chairman, in taking part in this debate I may say I was somewhat surprised, not at the attitude taken by the leader of the official opposition or the C.C.F. in so flatly turning down the Prime Minister's proposal, but that the Prime Minister had not seen the depths to which these great Canadians on this side of the house would sink