

Northern Ontario Pipe Line Corporation

perfectly clear when this subject was under debate in the Ontario legislature only a short time ago.

This proposal is bad in every respect. It is a bad compromise between public ownership and private ownership. It is neither flesh nor fowl nor good red herring. It is public ownership without any assurance that it will ever be private ownership unless it suits the people who are favoured. It could be a segment all by itself, and for that reason we have to consider the stage beyond. It is a segment of this great financial empire that has been conceived by Mr. Clint Murchison, who expressed such confidence only a year ago in his letter to the Minister of Trade and Commerce.

This segment might be left as an ineffective unit in the pipe-line system. What would the government do then? Would they leave it idle? They could not; no government could. Therefore if it comes to the stage where this government forces through an unnecessary venture of this kind, then there is only one thing to do and that is build the whole pipe line and not just part of it, and have control over the whole line. I repeat, though, that I do not believe that is necessary.

Mr. Knowles: That is where you are wrong.

Mr. Drew: I know I am not wrong. I believe this can be financed. I repeat that if this cannot be financed in this prosperous country with the amount of money that is being earned in this country today, then the statements which the minister put before this house misrepresented the facts to the house, and the statements upon which this company got permission to proceed were gross misrepresentations of their expectations. I hope we do not have to come to any such conclusion.

The Canadian government must accept full responsibility for the situation with which we are confronted. This is not the first time the Canadian government has been called upon to consider the problems of that northern stretch. The Minister of Trade and Commerce referred to the problems created by the northern Ontario arch which joins eastern and western Canada. That problem was faced by a Conservative government many years ago when this country had a small population and very limited financial resources.

There is a very real parallel between the construction of the Canadian Pacific Railway and the construction of a carrier of this type through that same area and across Canada. They did not have any financial group of this kind, but they insisted that it be Canadian controlled. They refused to go to

Chicago for their finances at that time. As early as 1871, when applications were being made to build the Canadian Pacific Railway, Sir John Macdonald wrote these words:

You may depend upon it, we will see that Canadian interests are fully protected and that no American ring will be allowed to get control over it.

He stuck by that principle and today we know the result. It made Canada one nation. Two courses were open. The Liberals of those days talked about the insanity of nationalism, they talked about the fact that there should not be nationalism that sought to have Canadian control of this kind; nevertheless the government insisted upon it. There is not an hon. member here who can have any doubt that under the immense economic pressures that would have been exerted by the colossus to the south it would have been doubtful whether western Canada could have remained an economic part of Canada as a whole if Sir John Macdonald had not had the courage he showed at that time. Commercial union was being proposed by Liberal members of parliament of those days, members of the then opposition. In spite of the opposition of Liberal members at that time steps were taken that made this country one nation.

I would remind hon. members, and also recall to the Prime Minister, that it was not necessary to have a publicly owned segment of the Canadian Pacific Railway. The government did get behind the railway. The government did show its confidence in the railway at a very difficult time. But times are not nearly so difficult now. A country with a \$26 billion annual income is in a much better position to take the steps that are necessary to assure this as an all-Canadian development today.

Two courses are open to this government. One is to take full advantage of the Canadian market and follow a method that will carry out the original intention of this government. The other is to let the sale of gas be dictated by United States interests, who will in turn tell us what we can do. Make no mistake about it; in a very real measure we are being called upon to sell our birthright by this proposal. It is perfectly clear that Canadian enterprises are going to pay more for the gas than their corresponding competitors in the United States. The agreements already filed in Washington in support of the application for the right to export Canadian gas show perfectly clearly that prices there will be well below prices available to Canadian competitors in the same field. That is something that certainly should be borne in mind.

When the Minister of Trade and Commerce tells us about the arrangements that have

[Mr. Drew.]