

*Northern Ontario Pipe Line Corporation*

minister's letter to the company dated September 28, 1955. The last paragraph of that letter reads as follows:

For the Emerson export, Tennessee must obtain an import permit from the United States government. When this has been issued, action will be taken by the Canadian government under the Exportation of Power and Fluids and Importation of Gas Act to authorize the export at Emerson, Manitoba of 200,000 mcf of gas daily for a period of twenty-five years from the date of the first delivery of gas.

That would appear to indicate that the company cannot get their permit for export from the minister until they have received a permit from the federal power commission.

**Mr. Howe (Port Arthur):** That is right.

**Mr. Green:** I have here reported statements of Mr. Tanner, the president of the company, to the effect that the financing of the company depended on this permit from the federal power commission.

**Mr. Howe (Port Arthur):** Read one or two of those statements.

**Mr. Green:** I have here a press report of February 25, 1956, quoting Mr. Tanner.

Mr. Tanner said there was no possibility of getting FPC approval of the application before April 30, the date the company was to satisfy the conservation board of its ability to finance the project.

The following words are in quotations:

"If we can get FPC approval of the application, that's all we need to complete our finances".

I also have a report of the speech made by the minister himself in Toronto, as reported in the *Globe and Mail* of January 31, 1956. The statements are not in quotation marks and may not have been taken word for word from the minister's speech:

Financing of Trans-Canada's portion of the all-Canadian line hinges on success of the application—

That is the application before the federal power commission.

**Mr. Howe (Port Arthur):** My hon. friend has a copy of my speech. Did he find that in it?

**Mr. Green:** I did not claim that; I am merely saying it is in this report.

**Mr. Howe (Port Arthur):** That was not in the speech. What difference does it make what is in the report?

**Mr. Green:** I am obviously going to be limited to 30 minutes and I do not want all these interruptions. Let me get on with my remarks. The report continues:

—and the agreement of the Canadian and Ontario governments to build the northwestern Ontario section stipulates that Trans-Canada must arrange finances for its entire construction program by May 1.

[Mr. Green.]

In any event it is perfectly obvious that there is to be no federal power commission permit granted by May 1. Today the minister intimated that he would now give an extension of time to this company. He did not say how long the extension would be, but he indicated he would give an extension of time beyond May 1. He did not say whether the federal government proposed to start with the 675-mile portion of the pipe line right away without waiting for Trans-Canada to show financial ability.

I think that is one point the minister should clear up. He should also make clear whether this company can finance without obtaining a permit from the federal power commission. No indication has yet been given that the company can do so. If it can not, and if the minister is going to start out with the line regardless of whether or not the company proves financial ability, that will be in effect putting up the taxpayers' money in partnership with Trans-Canada in a gamble that the federal power commission will issue a permit. I point out that if that gamble is lost Trans-Canada is unlikely to take over that 675-mile portion from the crown corporation, and probably the taxpayers will have to put up more money because the government will have been committed and will have to bail Trans-Canada out of trouble.

I point out, too, that basing the plan on a permit from the federal power commission is extremely dangerous and risky, for we know there has been strong opposition before that commission. We read that there has never been a more bitterly contested application before the federal power commission. There is bound to be a long delay. We on the west coast know that because Westcoast Transmission Limited had a delay of several years. Also the federal power commission will in effect have a veto down through the years. Despite the fact that the commission may grant a permit, United States law is such that they could interfere at any time in the future.

I would like to repeat the words spoken by my leader this afternoon that there should be no depending on the federal power commission which is a board in a foreign country set up to protect the interests of that country. The minister himself indicated what should be the proper attitude of the house toward the board when two days ago, in reply to a question referring to the proceedings before the federal power commission, he said, as reported at page 2073 of *Hansard* of March 13:

I would not care to comment upon judicial proceedings in another country.

**Mr. Howe (Port Arthur):** Then why do you do it?