

Northern Ontario Pipe Line Corporation

not going to read this long editorial, but I think the heading at the top of it, "An Unholy Mess" is well substantiated by the editorial which follows. I would read only one sentence:

It is almost impossible to believe that the Canadian people will permit their government in Ottawa to get away with its current proposals in regard to the east-west natural gas pipe line.

The plain, ugly truth is that not only is the Liberal government prepared to allow control of a vital natural resource to slip out of Canadian hands, but is actually prepared to finance more than half the cost of turning that resource over to foreign control . . . with the tax dollars of all Canadian citizens.

It is an incredible situation—

I repeat, it is fantastic. Now, in its simplest terms what the Canadian taxpayers are being asked to swallow in the legislation now before us is this. Out of a total expenditure on this projected pipe line of \$350 million to \$375 million, well over half or approximately \$200 million is being put up by the taxpayers, and being put up for what purpose? It is being put up in order to assist a small group of United States oil and gas men to control the transportation, marketing and export of one of our great natural resources. The proposition, Mr. Chairman, is as simple as that. The minister and others in his party can make all the arguments they like to try to becloud the issue, but the issue is just as simple as that. The sell-out is just as apparent as that, and I believe the great majority of Canadian people see it in those terms.

Now, when it comes to the men in control of Trans-Canada Pipe Lines, these United States companies, it is only natural and human nature that these men will control it in such a way as to promote their own best financial interests. That is going to be the first object in their minds. The second object will be to serve the needs for gas in their own country; and third and last, to meet Canadian producers' needs for a market and the demands of Canadian consumers for gas. In other words, Mr. Chairman, Canadian interests will inevitably be at the bottom of the heap. Of course Canadian producers and Canadian consumers will get a poorer deal than they would under any reasonable scheme controlled by Canadians and operated primarily for the advantage of Canadians.

The members of the Liberal party seem to be intent on trying to heap as much scorn and ridicule as they can on Mr. Frank McMahon. As was pointed out yesterday, however, he is the only Canadian to build any large natural gas pipe line, or to finance it and have it under construction. I feel, therefore, that he can be considered as more of

an authority on these matters than any of the gentlemen to your right. In his memorandum to the minister on the basic faults of the Trans-Canada plan, Mr. McMahon had this to say; and this is a statement of the realities of the situation, not the cover-up we hear now from the minister and others. These are the realities of this proposition:

2. Trans-Canada as presently constituted is controlled by United States financial interests and is dominated by Tennessee Gas Transmission Company so that the principal interests behind Canada's pipe line is dealing with itself as the principal purchaser in the United States. Trans-Canada, so influenced and dominated, proposes an uneconomic plan to favour Tennessee Gas to the detriment of Canada and at the same time requests the governments of Canada and Ontario to subsidize a \$122 million pipe line "bridge" across northern Ontario in order to make it possible to put the proposal into effect.

Those, I think, are the realities of the situation. Any gloss the minister and others attempt to put over the facts I think will be detected for what it is.

Since that memorandum was written by Mr. McMahon the government has put forward the proposal now before us to lend Trans-Canada \$72 million to \$80 million to construct the easy part of the trans-Canada pipe line from the Alberta boundary to Winnipeg. The government has thus made what was an improvident proposition infinitely worse. The minister has attempted to offer a sop to Canadian sensibilities in regard to United States control by saying that 51 per cent of the stock of Trans-Canada would be offered in Canada, and thus control would be or could be kept in Canadian hands. What a palpably weak and unconvincing attempt in the face of the realities of the situation as outlined by Mr. McMahon, to which I have just referred. Does anyone in this chamber or anyone in Canada believe for a moment that the United States controlled companies which control Trans-Canada will not buy sufficient of this 51 per cent of stock to maintain that control? Does anyone believe for a moment they will ever, under any circumstances, voluntarily relinquish that control? It is another of the fantastic assumptions which the Minister of Trade and Commerce and others apparently would like to have us accept. It is just not in the books.

I should like to consider for a moment the position of the producers of gas under this present scheme. Is it more advantageous to the producers of gas than the alternative schemes which have been proposed? The answer is no. In that regard I refer once more to the evidence of Mr. McMahon, as found in that same memorandum. I should like to put point No. 4 on the record:

4. The existing pipe-line companies and utilities in the great plains-midwest area of the United