

*Northern Ontario Pipe Line Corporation*

Since this proposal calls for financing with Canadian funds a venture that is controlled in the United States, surely it is necessary for us to examine carefully just what were the grounds upon which this company obtained its rights. On March 15 of this year, as reported at page 2164 of *Hansard*, the Minister of Trade and Commerce had this to say:

Hon. members will recall that in 1951 parliament enacted the original statute incorporating Trans-Canada Pipe Lines Limited. The original sponsors of this project believed that a pipe line designed to serve the Canadian market only was economically feasible and the statute of incorporation restricted the company to activity within Canada. Through the merger of the original Trans-Canada Pipe Lines Limited with Western Pipe Lines Limited in early 1954, the plan was broadened to include a substantial export of gas at Emerson, Manitoba, which was possible under the Western Pipe Lines charter.

Thus we see the statement of the Minister of Trade and Commerce that the charter and the franchise were obtained on the assurance that a pipe line entirely in Canada serving Canadians was economically feasible, and they were obtained on no other grounds. To use his own words: "The statute of incorporation restricted the company to activity within Canada". It was only three years after 1951, in 1954, that the two companies were merged. It thus becomes necessary, as I said before, to examine some of the details. The sponsor of the bill here in the House of Commons that incorporated this company said on February 27, 1951—and I am placing this on record again so it may be in the context of this story—as reported at page 736 of *Hansard*:

It is an all-Canadian route and, with the total volume of gas consumed in Canada, complete control will be ensured in this country.

It was with that assurance and with that understanding that this company was incorporated. The next stage was when the bill came before the standing committee on railways, canals and telegraph lines. Mr. Frank Schultz represented the company before that committee on March 6, 1951. In seeking the support of the committee for their proposal he had this to say:

The second consideration was that it should be an all-Canadian project, that it would be Canadian gas transported over an all-Canadian line, and that 100 per cent of the consumption would be in Canadian cities.

If anyone says today, "Oh, well, it is absurd to think that this could have been done", what he is really saying is that those people obtained a charter and a franchise on the basis of reckless statements they knew to be false. I do not suggest that for one moment. I feel sure that these men were speaking responsibly at that time. Certainly they were making definite enough statements.

[Mr. Drew.]

Then again, before the same committee, the committee to which we have sought to have this subject referred during the whole of this session, the same Mr. Frank Schultz said on the same day, March 6:

You may be interested to know about the marketing situation. We are satisfied at this stage that adequate markets exist in the eastern part of Canada to consume all the gas that we can produce and move through this line.

Nor were these the only statements. Counsel for the company, also speaking before the committee, had this to say:

The relative ruggedness of the terrain between Kenora and Sudbury has given some people the idea that this project is a little bit difficult or even impossible, and for that reason we have today the engineer who made the survey on behalf of this company. I think he will be able to give you some enlightening comments on the type of country that these pipe line builders have met in other countries and that the shield country of Canada is not as formidable as we have been led to believe, largely because of going over it by train and plane.

Then Mr. Floyd Waterfield of the Pipe Line Engineering Company and the Oklahoma Contracting Corporation, a man of some 31 years experience in the field, had this to say, following the statement I have just read. These were his words:

So, everything being considered, that so-called south route as I have referred to it along the (great) lakes provided some quite difficult construction problems—but I have seen worse in our country in Pennsylvania. There are certain sections of that country which are difficult particularly across the Tuscarora mountains and in West Virginia. That is a pipeliner's hell there. So there is nothing in this pipe line construction that is insurmountable. It is just big. Some of it is going to be difficult construction but the average over-all cost comes to a very reasonable and reconcilable figure.

We see nothing of that in the statement of the Minister of Trade and Commerce today. Where was this easy construction that we heard about before the committee and in this house? Where was the certainty that this could be done without government assistance and without any outside financing other than private financing when this was before the board of transport commissioners? Oh, no; no difficulties at all. Everything was rosy, and that was the ground upon which Trans-Canada Pipe Lines got their right to proceed.

Then we know that as recently as last year Mr. Clint W. Murchison, who was writing—not "personal and confidential"—to the Minister of Trade and Commerce, on that occasion had this to say:

We first came into western Canada about five years ago and at that time we heard of pipe lines to Chicago, Minneapolis and other points south of the Canadian border. We immediately conceived the idea of an all-Canadian pipe line, knowing in the beginning that anyone would take the routes into Minneapolis and Chicago as being much more remunerative and easier to finance,