

Clause 2 seeks to amend the present clause (a) of section 6 of the said chapter 68, which now reads as follows:—

"6. The Company, subject to the provisions of any general legislation which is enacted by Parliament, relating to pipe lines for the transmission and transportation of gas and oil or any liquid product or by-product thereof, may

- (a) within Canada construct, purchase, lease or otherwise acquire and hold, develop, operate, maintain, control, lease, mortgage, hypothecate, create liens or other security upon, sell, convey, or otherwise dispose of and turn to account any and all interprovincial pipe lines and all appurtenances relative thereto for gathering, transmitting, transporting, storing and delivering of natural and artificial gas and oil or any liquid or gaseous products or by-products thereof, including pumping stations, terminals, storage tanks or reservoirs and all works relative thereto for use in connection with the said pipe lines, provided that all pipe lines for the transmission and transportation of gas and oil shall be located entirely within Canada; and buy, or otherwise acquire, transmit, transport and sell, or otherwise dispose of and distribute natural and artificial gas and oil and any liquid or gaseous products or by-products thereof; and own, lease, sell, operate and maintain aircraft and aerodromes for the purpose of its undertaking, together with the facilities required for the operation of such aircraft and aerodromes; and own, lease, operate and maintain interstation telephone, teletype and telegraph communication systems, and, subject to *The Radio Act, 1938*, and any other statute relating to radio, own, lease, operate and maintain interstation radio communication facilities;"

The amendments proposed in respect of the above-quoted clause (a) of section 6 would authorize the Company to construct and operate extra-provincial and international—in addition to interprovincial—pipe lines for the transmission of gas and oil, outside as well as inside Canada. These amendments are in line with the provisions now usually included in private Acts incorporating pipe line companies.

In addition, clause 2 of the Bill contemplates the deletion of the present proviso which reads: "provided that all pipe lines for the transmission and transportation of gas and oil shall be located entirely within Canada". The meaning of such a proviso was considered by the Board of Transport Commissioners for Canada in its judgment of June 13, 1957, in the matter of the application of Alaska-Yukon Pipelines Ltd., whose Act of incorporation included a corresponding proviso. The judgment expressed serious doubt that, under such a proviso, the company was authorized to construct and operate a pipe line in Canada connecting at the international border with a pipe line in the United States of America owned or operated by an American subsidiary of the Canadian company. In consequence of this judgment, the Act of incorporation of Alaska-Yukon Pipelines Ltd. was amended, by the deletion of the proviso in clause (a) of section 6 thereof, by chapter 37 of the statutes of 1957-58.

The deletion of the present proviso in clause (a) of section 6 of chapter 68 of the statutes of 1952-53 would make it clear that the Company may construct and operate a pipe line connecting at the international border with a pipe line in the United States owned or operated by an American company whether or not such company is a subsidiary of the Canadian Company.