

When pipe line bills were first introduced—and there was quite a rash of them two or three years ago—one of the main objections to them was that the lines would not traverse Canadian territory, or, even if they did, that the companies were being financed by American principals. I might say that the group which is starting this refinery at Haines, Alaska, is a Canadian company operating in the United States. It has no shares for sale in the United States; all are being sold in Canada, and the people who constitute the company, management and shareholders, are Canadians. So we have here a reversal of the tendency of the oil industry to be controlled in Canada by citizens of the United States. The main line of the company is in Canada. But it cannot continue through Canadian territory to seaboard because of the Panhandle of Alaska. A gentleman who was a member of this chamber when I first came here—I refer to Sir Allen Aylesworth—sat on the commission which dealt with the boundary question and refused to sign the treaty by which the Panhandle was allotted to the United States. As the line is drawn, hundreds of miles of northern British Columbia are flanked by a strip down the coast line, so that materials consigned to the seaboard must go through American territory. That is the position in which this company is placed: to get directly to seaboard they must use a port in Alaska.

There was some suggestion that the refinery should have been built at White Horse, in Canada; but refineries located at seaboard have a great advantage over others, in that their situation provides them with an open field for the purchase of their raw products. It was therefore decided that the refinery should be at the seaboard, and it will be established at Haines, Alaska. There will be a pipe line from that place to carry the products to White Horse. The Alaskan business is necessary in order to make the refinery an economic unit, for the population of Alaska is much greater than that of the Yukon Territory. Anchorage, the largest city in Alaska, has a population of approximately 110,000, of whom 75,000 are civilians and 35,000 army personnel. The largest city on our side of the line is White Horse, with a population of approximately 10,000. There are other sizable cities in Alaska, one of them being Fairbanks, and all northern cities are expanding so rapidly that there is a real need of fuel. The freight situation with respect to Alaska is very difficult, and the rates are very high. So this company is convinced that a great field exists for the development of the petroleum industry, the more so as there are no other refineries in that area.

This bill, except in so far as the territory involved is concerned, follows the same pattern as other pipe line bills. There has been much discussion about the undesirability of granting wide-open charters by which promoters can build pipe lines anywhere in the country. In Canada this pipe line is restricted to the Yukon Territory and a limited area of British Columbia; that is, to the district covered by the company's present plans, which it is in active process of developing. As part of the scheme, and in conjunction with the pipe line, marine terminals are being constructed. So this is not a promotion of someone who wants to get a charter and then peddle it around or try to find someone else to do the development work; it is an actual business proposition. Those connected with it have gone into it very carefully and are prepared to proceed with it immediately.

If this bill receives second reading, I shall move that it be referred to the Standing Committee on Transport and Communications, where further information, if required, will be available. Honourable senators will then be able to ask questions about the bill from persons who know more about it than I do. I received my information second-hand—

Hon. Mr. Euler: You have done all right.

Hon. Mr. McKeen:—and I am afraid I could not answer all the questions that might be asked about this legislation. However, if honourable senators wish further information today I will try to furnish it.

Hon. Mr. Horner: Is the pipe line being extended as far east as Watson Lake?

Hon. Mr. McKeen: The products from the refinery will be distributed to Watson Lake.

Hon. Mr. Horner: What is the present population of Watson Lake?

Hon. Mr. McKeen: I am not sure, but I know it is considerably less than that of White Horse. I imagine it would be about 1,000.

Hon. Mr. Turgeon: Yes, I believe it is around 1,000.

Hon. Mr. Reid: I take it that most of the pipe line will be in Canada, although some of it will be in United States territory. Has the company obtained any rights with respect to placing lines in United States territory or will it later require such rights?

Hon. Mr. McKeen: The Canadian company is working in conjunction with an American company which will have to build the American pipe line from the boundary into Haines, and that line will connect with the one in