

*Northern Ontario Pipe Line Corporation*

That was the confident statement of Mr. Murchison on March 7 of last year. When did he change his mind? We have not been told. When did he change his mind? We should know, because he was the moving spirit in the days when this company was given permission to proceed.

Nor was it only Trans-Canada Pipe Lines Limited that was so definite about what could be done. On March 13, 1953, as recorded at page 2929 of *Hansard*, the Minister of Trade and Commerce said this:

Therefore the policy that has governed the export of electrical energy since 1907 must apply, within reason, to the export of natural gas. Canada has consistently refused to authorize firm contracts for the export of electrical energy, and this in spite of great pressure at times from producers of electrical energy. That consistent policy has paid large dividends to the Canadian economy, in that our sources of electrical energy have been preserved to our own economy.

Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.

That same day, as reported at page 2930 of *Hansard*, the Minister of Trade and Commerce told the members of the House of Commons that the government had, and I quote his words:—

... reason to believe that it is economically feasible to build a gas pipe line from southern Alberta to Toronto and Montreal, serving the intervening Canadian cities, and government policy will require that Canadian gas be used in Canada accordingly.

Now, Mr. Chairman, it was upon that basis, and upon the confident expression of the minister that this was an economic possibility, that this whole matter proceeded. Early in 1954 the picture changed. Western Pipe Lines were seeking permission to carry gas south through Manitoba to the Minneapolis-St. Paul market. The Minister of Trade and Commerce at that time performed a shot-gun marriage and those two companies were brought together, the minister officiating at this strange ceremony. The result of this alliance was that Trans-Canada was no longer an all-Canadian line, but a line which divided in Manitoba and would carry gas east in one pipe line and south into the United States by another.

There was no suggestion at that time that Trans-Canada Pipe Lines, in its expanded form, could not finance the whole operation privately. In fact, having regard to what we are told about the value of the market in the United States, it should have been that much easier to finance the Canadian part of the line. On the contrary, they submitted evidence to the board of transport commissioners which convinced that very

responsible body that Trans-Canada Pipe Lines could finance it. In a judgment dated July 24, 1954, Mr. Justice Kearney said, as reported at page 190:

While bearing in mind that we are dealing with estimates, nevertheless, the board is convinced that such estimates have made reasonable allowance for foreseeable contingencies and have been prepared by skilled and reliable estimators.

Mr. Justice Kearney referred to evidence submitted to the board that the line was economically feasible and could be successfully financed. It was upon this, and other similar evidence, that the chief commissioner and other members of the board agreed that the permit could be granted. In 1954 Mr. Shultz again appeared before the House of Commons committee on railways, canals and telegraph lines. As quoted at page 45 of their report, in 1954 these were his words:

Our experts have never claimed that we needed any help in doing this job.

The Minister of Trade and Commerce assured the nation that this line could be financed privately, and he so assured this nation a year ago now, because he wrote a letter on March 8, 1955, in which these words appear. The letter was tabled in this house in answer to an order for return. I quote the words of the minister:

All studies indicate that the line is capable of being financed privately and it has been decided to defer construction for one year and let matters take their normal course.

When did this picture change, Mr. Chairman? When did the minister decide that the normal course could not be followed? When did this whole proposal suddenly take on new form? It did not take on new form because the financial situation was more difficult. We have been told over and over again of our improving national income; we have been told of booming business in the areas to which this pipe line was to go. If the minister was so confident on March 8 of last year that this could be financed privately, why does he now come before us and leave the impression that it cannot? What evidence have we that this line cannot be fully financed privately, as the Minister of Trade and Commerce thought it could less than a year ago? There is no evidence; none at all. The evidence is all to the contrary. Nor has any evidence to that effect been given to the board of transport commissioners.

The company have appeared before the board of transport commissioners on different occasions. They appeared there on July 24, 1954, and again on April 28, 1955, on September 21, 1955, and on September 15,