

Northern Ontario Pipe Line Corporation

to this company a section of the line and to finance another section to the tune of 90 per cent of the expenditures which the company will make. The company is only going to put up a tiny share of the expense.

Apparently that has been a fairly recent decision. The reason that they will not put up the money is not that they do not have the money. The existence of the Tennessee company in this project and its connection with the organization would provide for that, but apparently we cannot have the pipe line, so they say, unless we have permission from the United States federal power commission over which we have no control whatever. That commission has to give permission to import gas into the United States. Therefore, as the situation now stands, we are dependent for the existence of the pipe line on the permission of a commission of a foreign power. I ask you, where is our vaunted young nationhood? Where is our boasted independence?

It is fair to ask what our solution would be. I would say that if we are to provide 90 per cent of the funds to build part of the project and if we are to build the other part and hand it over to the company, why not provide 100 per cent of the funds and build the whole pipe line ourselves? It is just as simple as that. Let us have it 100 per cent Canadian owned and controlled. I am opposed to our building one section and providing most of the funds for the construction of another section and then handing over the whole thing to a foreign private company for their exploitation and profit. Make no mistake about it, this pipe line is going to be a private monopoly, and most of the profits from its operation will go to the owners in another country. It may well be that Canadian consumers by virtue of this monopoly and by reason of the higher price they will pay for gas will be in the position of subsidizing consumers in the United States where competition is keen.

For the information of hon. members, and because I do not have time to read it, I should like to refer them to a very relevant editorial in my own local paper, the *Saskatoon Star-Phoenix* of Thursday, May 24. It is entitled, "Question Begging Answers". I too am begging answers, and I find that certain of the questions outlined in this editorial are ones I had jotted down myself. I should like the minister to answer these questions when he replies in committee and I shall try to make the questions quite definite.

First of all, in 1955 the minister said that the line could be privately financed. There was lots of money then. I should like to know why, after the wealthy Tennessee company came into the picture, the company was

[Mr. Knight.]

then unable to finance the proposition. Second, what arrangements are being made to build the sections not now provided for in the bill, the in between sections which have not been accounted for? Third, why is the new agreement between the government and Trans-Canada not attached to the bill or written into the bill? Has it been left out purposely so that it may be moderated, so that it can be changed in the future, perhaps to give the company more time? Fourth, is it correct as asserted that there will be a difference in prices as between distributors at Winnipeg and at Emerson amounting in that way to Canadian consumer subsidization of the United States consumer south of the border? Fifth, there is another thing that I am at a complete loss to understand. At this point I should like to quote from a dispatch in the *Globe and Mail* of May 29. I shall only read parts as my time is limited. The article is headed, "British Firm to Supply Pipe for Gas Line". The dispatch is from London under today's date and reads in part as follows:

A \$32 million contract for steel piping for the Trans-Canada Pipe Line company has been awarded to a British firm, it was announced today.

The next paragraph designates the firm as the South Durham Steel and Iron Company Limited. Then the next paragraph is somewhat of a revelation as to the time when we may expect that the gas line will be in operation. The article goes on to say:

Delivery of the first pipe will be in May, 1957—

That is not 1956.

—and the contract is expected to be completed by July, 1959.

Asked about the controversy in Canada over the pipe line company's financing, a company official said: "The contract is with the pipe line company, not the government."

Altogether 636 miles of 30-inch diameter piping will be used for the centre section of the natural gas line from Winnipeg to North Bay.

That is the relevant part of the article. I find myself in some difficulty in knowing whether, if in fact, it is correct. The bill we have before us, which we are going to be allowed to discuss for a limited period at the private dispensation of the Prime Minister, as I said, says that the government is to set up a crown corporation to construct the northern Ontario section. One would naturally suppose that this would include the purchase of the pipe and the laying of the pipe, but if this dispatch that I have quoted is correct it would appear that Trans-Canada seems to be quite sure—I was going to say had been assured—of the laying of it in spite of what the Prime Minister said this afternoon. If I recall correctly, he said that tenders were being let for that particular part of the work.