

*Pipe Line Terminus*

a pipe line from Montreal to the seaboard within the last ten years. If the argument of my hon. friend is valid it was quite improper to build that line from Montreal to Portland. The line should have been built from Montreal to Saint John, or possibly from Montreal to Halifax. True it would have raised the price of oil in the Montreal area by two or three cents, but what is that? My hon. friend would say that two or three cents a gallon on oil is nothing at all if national pride and the little Canadian viewpoint can be preserved. Anything built to serve Canada must be built through Canada.

I would also remind the hon. member that for a great many years Canada has been served at Sarnia by a pipe line built from the mid-continent field of the United States. I can say that, if that pipe line had not crossed the international boundary to serve Canada, Canada would not have fought very much of a war in the last conflict.

What is the purpose of the pipe line from Alberta? It is to bring Alberta oil to market. My hon. friend says that the markets must be in Canada, and since we believe we have there one of the great oil fields of the world he follows through and says, "All right, if it is necessary to market the oil, pipe it down to Halifax."

**Mr. Green:** I did not say that.

**Mr. Howe:** Certainly you said it. You said that the oil must be used in Canada.

**Mr. Green:** Mr. Speaker—

**Mr. Howe:** Well, now, sit down and let me make a speech.

**Mr. Green:** On a question of privilege, I do not mind what the minister says provided he does not put words into my mouth. He said that I said a pipe line to Halifax. I said no such thing. He must stick to what I said if he is going to quote me.

**Mr. Howe:** Where would this line stop, at the lakehead?

**Mr. Green:** Yes.

**Mr. Thatcher:** Stop at Port Arthur.

**Mr. Green:** Stop at the lakehead.

**Mr. Howe:** I know quite a lot about Port Arthur, and I know the purpose of the speech which has just been made.

**Mr. Green:** The minister is imputing motives. I made my speech because I believe in what I said. He has no right to say that it had to do with anything else. He has no right to impute motives.

**Mr. Speaker:** I did not understand the minister to impute any improper motives.

**Mr. Fraser:** He certainly did, Mr. Speaker.

**Mr. Howe:** If I may resume, the purpose of the pipe line is to bring Alberta oil to market. If it is reasonable to carry that oil to Halifax in order to find a market in Canada, then the market should be confined to Canada. As a matter of fact the only permit issued under the Electricity and Fluid Exportation Act is one to transport oil from Alberta to the Sarnia refinery. No permit has been issued as yet for the marketing of oil in the United States. However, I think the province of Alberta has a distinct interest in this pipe line. After all, crude oil prices in Alberta will be determined by the refinery prices at the marketing points less the cost of transmission, and the cost of transmission will include the operating expenses and amortization of the cost of the pipe line. My hon. friend said, "Add another \$10 million to the cost; add another \$400,000 or \$600,000 to the operating expenses. Let the province of Alberta pay that."

**Mr. Green:** I did not say that.

**Mr. Howe:** Well, who is going to pay it?

**Mr. Green:** Go ahead and make your speech, but don't misquote me.

**Mr. Howe:** Certainly the cost of the pipe line must be paid by the oil it transmits; I know of no other source of income for a pipe line. Therefore the board of transport commissioners considered an application to build a pipe line from the oil fields in Alberta to Superior, Wisconsin, to transmit oil to Sarnia. That is a Canadian movement. The ships carrying the oil to Sarnia from Superior must be Canadian ships, under the coasting laws of this country. I think the board of transport commissioners were right when they said it had been proved that this was the economic route from Edmonton to Sarnia. They looked into the financing and found that the American portion was going to be financed in the United States, so there would be no drain of American dollars from the Canadian reserves. They found that the Canadian portion was going to be financed in Canada. They found that there would be a definite saving in the cost of marketing oil by that route, and accordingly they approved the application. The government, through the Department of Trade and Commerce, issued a permit for the transportation of oil through that pipe line from Edmonton to Sarnia.

Those are the true facts of the case, distort them as you like. My hon. friend says this private venture—for it is a private venture—should not have been permitted, that we should have told the owners, "If you want to build this pipe line at all you must spend another \$10 million to take it to the lakehead." I cannot see the economics of that