

*Northern Ontario Pipe Line Corporation*

will again step in and bail out this company. When the minister spoke yesterday he was very careful to point out that the government is not obliged to take over the Western pipe line next year if there is default. He made it clear that while that power is taken, it does not have to be exercised. So I repeat this first feature is that the government has gone to this company hat in hand. What possible chance is there of Canada getting a good deal under those circumstances?

Then the second feature is this. These American companies are in the saddle, particularly the Tennessee Gas Transmission Company. Make no mistake about it, this plan that is being forced on the House of Commons is a Tennessee Gas plan. The minister has never denied that fact. What have they done? They have just refused to put up the money for the western section. On March 28 of this year they were told by the board of transport commissioners to go out and raise the money to build that section. I have here the judgment. It contains this paragraph:

The board has suggested to the applicant that the latter might further pursue the possibility of raising the necessary capital through private sources to permit of the immediate construction of this part of the line, the cost of which it is estimated would amount to between \$70 million and \$75 million.

On April 12 a newspaper dispatch indicated that it was expected that this company would be advancing the money to build the western section of the line. Remember this, Mr. Chairman. These are wealthy companies. When the Tennessee Gas company came into the picture last fall, we were told that it was a pipe line giant. A dispatch then said this:

The \$826 million Tennessee Gas Transmission Company, which operates the world's largest natural gas transmission network in the United States, is to be a full partner in the Trans-Canada Pipe Lines Limited line . . .

But they are not doing any gambling. They can get out of this deal next spring with very little loss. Tennessee Gas is not on any covenant to repay the government loan. The covenant is with the government's own chosen instrument, namely Trans-Canada Pipe Lines Limited. The government is going to pay \$80 million and these promoters only have to pay between \$8 million and \$9 million.

Just three or four days ago the counsel for Trans-Canada Pipe Lines Limited went before the board of transport commissioners. What did he say? According to this newspaper clipping this is what he said:

Trans-Canada's counsel, Ross Tolmie, said the government's agreement to provide the \$80 million will be used as evidence of financial ability to build the link.

[Mr. Green.]

Then in the third place, Trans-Canada will not be moving to complete the line—that is into eastern Canada and to Montreal—unless and until the federal power commission gives a permit to export gas to the United States. Throughout, from the beginning and right to the bitter end, so long as this Trans-Canada Pipe Lines Limited is the company involved, the government's plan for a completed pipe line from Alberta to Montreal has depended and will depend on this permission from the federal power commission of the United States, a body set up in a foreign country to protect the interests of that country. The Minister of Trade and Commerce made the position clear when he spoke on May 8. As reported at page 3663 of *Hansard* he said this:

In spite of their best endeavours, however—

He was referring to Trans-Canada Pipe Lines.

—they have not been able to obtain guarantees that the money necessary to finance either the whole of the line, apart from the northern Ontario section, or the western section, would be forthcoming in advance of approval by the federal power commission of their contract for the sale of gas into the United States.

Then, when speaking yesterday, he again made the position clear when he said this, as reported at page 3861 of *Hansard*:

However, there has been and there is no end clearly in sight.

He was referring to the granting of a permit by the federal power commission.

The company has made no agreement to complete the whole line without a permit from the federal power commission. There is no explanation by the Minister of Trade and Commerce of the effect on the over-all plan if the federal power commission fails to give approval. He is delightfully vague when it comes to telling the house and the people just what is to be done if the federal power commission fails to grant a permit for import into the United States.

Finally, Mr. Chairman, control of the Trans-Canada Pipe Lines remains in the head offices of these American companies, and primarily, of course, in the head office of Tennessee Gas. No real attempt has been made by the government to ensure Canadian control. When they were renegotiating or when they were making this contract which was signed a week ago today, one would have thought that they would have included some provision which would have made it certain that there would be absolute Canadian control of Trans-Canada Pipe Lines. But there is nothing of that kind in the agreement. The minister himself has intimated he considered it hopeless; that there was no use trying to get terms of that kind