

*Trans-Canada Pipe Lines*

situation as exists on the Pacific coast, where Westcoast Transmission, which is United States controlled financially, has agreed to sell gas to United States distributors on a 20-year contract at 10 cents per thousand cubic feet less than the price being presently charged to distributors in the province of British Columbia.

Such deals mean that United States industry could grow fat at the expense of Canadian industry with the help of cheaper Canadian gas. The repetition of such agreements would be a sell-out of the Canadian consumer, and label the whole thing as a gigantic give-away of priceless and irreplaceable natural resources. That this may happen is greatly indicated in the *Congressional Record* of August 27, 1957.

The *Congressional Record* is, of course, the United States *Hansard*. I have the record of Tuesday, August 27 before me. Congressman Saylor was speaking. I may say that if you read the whole of this congressman's speech you will find that he has a very excellent grasp of what happened in this country in May and June of 1956. I think he summarizes it well in the speech he made, in the course of which he said this:

Through some strange manoeuvres Midwestern Gas Transmission Company whose application to import Canadian gas in one of the cases is now before the federal power commission, has contracted to pay an average of 27.76 cents per thousand cubic feet for Canadian gas during the 25-year period of its contract.

This is the congressman speaking:

At the same time the Winnipeg and Central Gas Company, which is actually closer to the source of production, would be required to pay 35.68 cents per thousand cubic feet for the same fuel during the period of its contract. These figures are based on the contracted minimum load factors, but even under 100 per cent load factors Midwestern will still have a decided advantage throughout the 25-year period.

Apparently, the government has not yet decided as to what its attitude will be in this regard, but they have already refused to act according to their speeches during the hectic debate of May and June, 1956. Therefore, I think I have the right to express my suspicions and my doubts as to their integrity and sincerity in respect of this policy.

However that may be, it is certain that if the government does not end the agreement which the Minister of Public Works, who I am glad to see in his seat, described as "the greatest betrayal of the Canadian people since confederation", Trans-Canada will be able, when it has collected sufficient funds from the Canadian gas consumers, to purchase the northern Ontario section of the pipe line by paying the cost price plus some interest on the public money advanced.

[Mr. Coldwell.]

There is no doubt that at some time it will exercise this option if the deal stands, and at that time the line will be far more valuable than its cost price and Trans-Canada will get another bargain at the expense of the Canadian taxpayer and the Canadian consumer. There is no doubt, too, that if this line which we are now building—and I say "we" advisedly, because it is Canada which is building the line across northern Ontario; it was Canada which put up the money as a loan to the company to build the first leg from the Alberta boundary to Winnipeg—could remain under public ownership and be operated by a crown company as a public utility the construction of the line would be cheaper because the government could raise the capital required at lower interest rates than a private corporation could do, and the public enterprise would be relieved of certain tax burdens, both federal and provincial.

Moreover, instead of the company planning to set aside out of the rates charged against consumers of natural gas an amount sufficient to purchase the line in 20 years the government could amortize the cost of the line over a much longer period, say 40 years instead of 20 years. As a result, the carrying charges would be one-half of what they would be in 20 years. This means, of course, that the Ontario and Quebec consumer would enjoy lower rates and would reap greater benefits, if not at once, in due time.

Now, it will be recalled that in the debate of June 4, 1956, Mr. Drew said that there were three alternatives, but that if the government forced through the bill to provide by way of loans, means for the financing of the first leg of the trans-Canada pipe line, and then undertook to build the line across northern Ontario, the only alternative, if that were done, would be for the government,—and I quote him:—

—build the whole pipe line, and not just part of it, and have control over the whole line.

That was Mr. Drew's statement in this house. Now, may I quote the present Prime Minister again at page 4032 of *Hansard* of May 17, 1956? It is obvious that both the deal itself and the manner of its making appeared to be repugnant to him. He said;

The perquisites here are that the Prime Minister (Mr. St. Laurent) should abdicate his belief in democratic principles and deny those in opposition the right to advance their arguments and to educate public opinion or to find out why there is such solicitude on the part of the members of this government. For five long years this pampered pet,—

Said the then member for Prince Albert, now the Prime Minister:

—Trans-Canada Pipe Lines, by deviation, by change of direction, by protestation, by alteration in course,