

*Northern Ontario Pipe Line Corporation*

**Mr. Howe (Port Arthur):** The San Juan basin—

**Mr. Monteith:** Will I be permitted to get up again?

**The Acting Chairman (Mr. Brown, Essex West):** If there is consent.

**Mr. Monteith:** I understand I would not have consent to speak again once I have resumed my seat.

**The Acting Chairman (Mr. Brown, Essex West):** If the hon. member prefers to proceed he may do so.

**Mr. Monteith:** There are a few things in the bill which I think could stand some explanation. I do not know whether we can discuss clause 3, but I think we have been wandering far afield and it may not do any harm.

**The Acting Chairman (Mr. Brown, Essex West):** We are now dealing with clause 4.

**Mr. Monteith:** I think we have been dealing with everything tonight. I believe I have been closer to clause 4 than most speakers this evening. Clause 4 reads:

(1) The corporation is a body corporate having capacity to contract and to sue and be sued in the name of the corporation.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the corporation, whether in its name or in the name of Her Majesty, may be brought or taken by or against the corporation, in the name of the corporation, in any court that would have jurisdiction if the corporation were not an agent of Her Majesty.

That is perfectly all right, and possibly some legal brain devised it. I am not a legal man, but I would like to have answers to some questions. Ordinarily in committee we are allowed to ask questions. Section 5 (2) reads:

The corporation shall not enter into a lease of the northern Ontario section with Trans-Canada unless it is approved by the governor in council and unless it provides for rentals during the period of the lease and for a purchase price that, in his opinion, are designed to recover not less than the cost of the northern Ontario section and interest thereon at a reasonable rate.

Does the government expect there will be a higher interest rate? It says "not less than". Is it to be that interest rate, or might it be higher? We have the right to know. We should have the opportunity to ask these questions and get answers. Subsection 3 reads:

(3) Subject to this act, the corporation may do such things as are expedient for or conducive or incidental to the attainment of the purposes set forth in subsection (1) and, without limiting the generality of the foregoing, the corporation may, for the purposes of this act, buy, sell, lease, contract, acquire, hold and dispose of real and personal property of every description and expend or

[Mr. Monteith.]

administer all moneys received by it from loans to it, rentals, disposition of its property or otherwise.

I suppose that refers to the building of the northern Ontario section. I would just like to ask some reasonable questions in the committee stage. Section 6 (2) reads:

(2) The Minister of Finance, at the request of the corporation and with the approval of the governor in council, may from time to time out of the consolidated revenue fund lend money to the corporation on such terms and conditions as the governor in council approves, but such loans to the corporation shall bear interest at a rate that is not less than three and one-quarter per cent per annum.

Might it be higher? How much higher might it be? What is the procedure? What is the method of setting the interest rate? It says "not less than three and one-quarter per cent". Might it be more than that? Under what conditions might it be more? Then we come to part II, which is an important part of the bill. Section 7 (1) states that the loan is to be 90 per cent of the cost, with a maximum of \$80 million. Let me go on down to subsection 2 which reads:

(2) If, with respect to the construction of the western section, the repayment of the loans or otherwise, Trans-Canada is in default under the loan agreement or any security given pursuant thereto, the corporation may, upon giving notice to Trans-Canada, of such default,

(a) take immediate possession and control of any or all assets, rights and undertakings of Trans-Canada and conduct the business and operations of Trans-Canada with respect to such assets, rights and undertakings.

What rights, undertakings, assets and all the rest of it are there expected to be? Maybe they do not know exactly, but what do they expect? We have a right to ask that question and we have a right to receive a reasonable answer. Paragraph (b) reads:

(b) declare that any or all of the assets, rights and undertakings of Trans-Canada be vested in Her Majesty, and thereupon all right, title and interest of Trans-Canada to or in respect of such assets, rights and undertakings, shall be vested in Her Majesty and Trans-Canada shall cease to have any right, title or interest to or in respect of any such assets, rights or undertakings.

Paragraph (e) reads:

(e) pursuant to any agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act, between Her Majesty and Trans-Canada and any shareholder of Trans-Canada and any holder of an option to purchase shares of Trans-Canada, acquire shares of the capital stock of Trans-Canada.

Are they going to go out and buy shares? They have \$130 million and perhaps will loan only \$80 million; are they going to use the remainder temporarily until they get into the construction of the northern Ontario bridge to buy shares? What do they intend to do? This gives them power to do that. Have