

Northern Ontario Pipe Line Corporation

dated April 21, 1949, addressed to "Dear Mr. Newkirk" he had this to say:

In response to your request for a statement of the policy of the government of Saskatchewan on the matter of mineral and petroleum development, I desire to reiterate the stand which we have taken and which has been expressed on numerous occasions in the past.

The government is desirous of encouraging mineral and petroleum exploration, development and production to the greatest extent possible, and to that end it has embarked upon a program designed to lend technical assistance and advice to bona fide persons and organizations able and willing to proceed with this work. In addition, it gives a firm understanding that no steps will be taken to expropriate or socialize the mining or petroleum industry in the province.

At the same time, the government will take all necessary steps to protect the public interest, and to that end the mineral rights in certain areas will be defined and reserved in advance to the use of the crown, and royalties will be fixed guaranteeing to the people of the province a fair return from the mineral wealth produced.

That is exactly what has taken place in Alberta. Saskatchewan has followed that plan and as a result of following Alberta's plan they have been able to develop their natural resources. They will benefit from the construction of this trans-Canada pipe line. The premier of Saskatchewan gave the assurance that there would be no socialization of these projects, yet the C.C.F. have the audacity to stand up in this house and say they oppose the construction of this pipe line by private enterprise which will provide further development of their natural resources.

I want to read further from the budget speech of the late—no, not the late, but I suppose he will be after the election—Hon. C. M. Fines, provincial treasurer of Saskatchewan, on Monday, March 5, 1956. They talk about lending money to private enterprise for the development of resources. Look at page 20 of this speech:

In just about five years, it has assisted in bringing to this province such industries as a pipe mill, a plywood factory, a generator winding plant, a garment factory, a farm equipment manufacturing enterprise, a cement plant—to name but a few. The industrial development fund, which a few years ago counted a \$50,000 loan to a new company as a major transaction, is expected this year to lend up to \$500,000.

How can they stand up and object to the government on this occasion lending \$80 million to a private concern at 5 per cent interest? I wish they could be a little consistent.

I turn my attention for a second to the Conservative members of this house. I never saw such a mess as they are in now. They say it was a shotgun wedding that was performed in the amalgamation of Trans-Canada Pipe Lines, but I would call this close association with the C.C.F. as almost a companionate

marriage, because they see no other alternative. I do not think I could outline the stand taken by the Conservatives better than it is expressed by the *Montreal Gazette* of May 14, which expresses my opinion exactly. It says:

Poor Relations:

Poor liaison has caused a rift between the federal Conservatives and the party's Ontario provincial organization.

How mute was the leader of the Conservative party when he was asked to give Mr. Frost's ideas on this. He stood up here as though he were paralysed, and he never made a suggestion.

The coolness developed at mid-week. Conservative M.P.'s—

I want to emphasize that it was all the Conservative M.P.'s except the one from Calgary South.

Conservative M.P.'s had been hammering away at trade minister Howe and the Liberal government for more than a week for failing to give Calgary oil promoter Frank McMahon and other interested Canadian groups a chance to pick up the torch from the failing hands of Trans-Canada Pipe Lines Limited and build Canada's trans-continental natural gas pipe line.

Spilled:

But while the Conservatives were preoccupied with developments in parliament, Queen's park abruptly yanked the rug from under them. Ontario's Conservative government announced blandly its complete satisfaction with the Howe proposal to rush further financial aid to Trans-Canada. As for the McMahon offer—

Notice this. This was the main point the leader of the Conservatives had to offer yesterday in regard to this matter:

As for the McMahon offer, Ontario authorities scoffed at the suggestion that it deserved serious consideration. Ontario, they said, had itself canvassed the field of potential Canadian investors last fall—McMahon among them. And all it had found was a wide open space. The Ontario pronouncements didn't utter a single critical word about the stand taken by the federal Conservatives. But the implication was clear and the effect devastating.

Committed:

Indications are that opposition leader Drew and his followers in parliament (including the Ontario M.P.'s), will, however, persist in their stand. They are too deeply committed to it, in any event, to backtrack in the face of the new pressure from Queen's park. Their battle against the continuation of Trans-Canada Pipe Lines Limited as the "chosen instrument" of Canadian pipe-line policy will remain, it is said, a fight to the finish.

A fight to the finish of what?

An hon. Member: The Conservatives.

Mr. Johnston (Bow River): A fight to the finish to prevent the construction of the trans-Canada pipe line, good or bad. That is their position. Let me state further the Conservative policy as exhibited in the *Ottawa Journal*, and let me tell you that this is the