

Northern Ontario Pipe Line Corporation

grievous blow has been struck at our institution of parliamentary government in this nation. The Prime Minister has not been in public life for many years. He has never been, and I say this in all kindness, a House of Commons man, and I do not believe he realizes tonight the serious implications of the step he has allowed his senior minister to force on him in moving closure, not after there had been an extensive debate, but at the end of the very first speech when the minister introduced this particular measure.

The Prime Minister obviously has condoned that step and he must accept the primary responsibility before the Canadian people and in the history of Canada for what he has allowed to be done in this debate. Closure is particularly atrocious under these circumstances when we remember that in the speech from the throne on January 10 this pipe line measure was announced and it was understood then that it would be the main question before the house during this session. The resolution preceding the legislation appeared first on February 3, but debate was not brought on until March 15 and then it was cut off after one day. An amended resolution was brought in, came up for debate yesterday for the first time and the Minister of Trade and Commerce moved closure. I think that action can be fairly summed up in these words, that Liberalism as exemplified in the House of Commons in May of 1956 is synonymous with contempt of parliament.

Some hon. Members: Hear, hear.

Mr. Green: Let me analyse the resolution which is under debate. It precedes a measure to set up a crown corporation to be known as Northern Ontario Pipe Line Crown Corporation which will have the power to construct a gas pipe line from the Ontario-Manitoba border 675 miles east to Kapuskasing. The corporation is to have the power to lease that pipe line, with an option to purchase, to this chosen instrument of the government, Trans-Canada Pipe Lines Limited. In addition, the corporation is now to be given the power to lend to this same company for a line from the Alberta-Saskatchewan border 575 miles east to the vicinity of Winnipeg a sum not exceeding \$80 million or 90 per cent of the cost. The aggregate for all this work is to be not over \$130 million.

I point out that the original resolution referred only to the northern Ontario line and it contained the same figure, \$130 million. The cost was estimated to be \$118 million, of which Ontario was to put up \$35 million leaving \$83 million for the dominion. If \$80 million of that \$130 million is now to go into the western line it is obvious that unless and until that sum is repaid there will not be

enough money to build the northern Ontario line. That line will just have to wait in the meantime. The resolution is very misleading because it should contain a figure of \$210 million rather than a figure of \$130 million. Remember this, Mr. Chairman. Under the government's proposal no share whatever of the profits, either of the western line or the northern line, is to go to Canada.

Then we must consider too the agreement made a week ago, on May 8. It gives further details of this proposal. Trans-Canada Pipe Lines Limited is to repay on or before April 2, 1957. That means the company will have a further extension until April 2, 1957 to prove financial ability. Already within the last few weeks the government has extended the time for that to November 1, 1956. It means, of course, delay in the northern Ontario line, delay in the line from Winnipeg to the Ontario border and delay in the line in southern Ontario and into the province of Quebec.

Now I point out four important features which I suggest should be considered by hon. members and by the Canadian people. The first is that the government went to this chosen instrument hat in hand, an amazing thing for the government to do. On May 8, as reported at page 3664 of *Hansard*, the minister said this:

I emphasize that the approach came from the government, not Trans-Canada. Trans-Canada was not in default.

Actually Trans-Canada was in default and badly so. I need only remind you, Mr. Chairman, that on September 15 of last year the minister's representative, Mr. Sharp, appeared before the board of transport commissioners in support of an application the company was then making for an extension of time. The newspaper dispatch reads as follows:

Sharp said Trans-Canada and its bankers have given the federal government assurance that it will be able to build the balance of the pipe line.

That is with the government completing the northern Ontario section.

"The government of Canada is proceeding on the assumption that Trans-Canada now will be able to accomplish this objective and that construction will commence in 1956 and be completed in 1957," Sharp said.

In the agreement itself between the government and Trans-Canada dated November 21 of last year, we find this clause:

And whereas Trans-Canada proposes to arrange for financing of all its costs and commitments in connection with the said program of construction prior to May 1, 1956; . . .

What is happening is this. The government keeps bailing them out. If there is default on April 2, 1957, I believe the government