

*Northern Ontario Pipe Line Corporation***NORTHERN ONTARIO PIPE LINE CORPORATION**

CONSTITUTION OF CROWN COMPANY TO  
CONSTRUCT PIPE LINE, MAKE  
SHORT-TERM LOANS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation for the purposes, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

To provide also that the corporation may, on behalf of Her Majesty, out of moneys advanced by the Minister of Finance, make short term loans to Trans-Canada Pipe Lines Limited for the construction of a natural gas pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, such loans not to exceed in the aggregate eighty million dollars or ninety per cent of the cost of construction of the said pipe line, whichever is the lesser, and to be made upon such terms, conditions and security as approved by the governor in council.

To provide also that the corporation may do such things as are conducive to the attainment of the foregoing purposes, and that in the event of default of Trans-Canada Pipe Lines Limited in carrying out any agreement for the foregoing purposes the corporation may take possession and control of any or all assets, rights and undertakings of Trans-Canada Pipe Lines Limited and conduct the business and operations of Trans-Canada Pipe Lines Limited with respect to such assets, rights and undertakings, and that if such default should occur prior to completion of the pipe line mentioned in the last preceding paragraph hereof the corporation may complete its construction and manage and operate it and that it may, out of moneys advanced by the Minister of Finance acquire shares of the capital stock of Trans-Canada Pipe Lines Limited.

To provide that the aggregate outstanding at any time of the amounts authorized by the measure to be advanced for the foregoing purposes by the Minister of Finance to the corporation together with the loans authorized to be made by the Minister of Finance to the corporation shall not exceed one hundred and thirty million dollars.

And to provide further for the appointment and remuneration of directors, officers and employees necessary for the administration of the act.

**The Chairman:** It being six o'clock, I do leave the chair.

At six o'clock the committee took recess.

**AFTER RECESS**

The committee resumed at eight o'clock.

**Miss Aitken:** Mr. Chairman, the first few words of the resolution before us read, "Resolved, that it is expedient to introduce a

[Mr. Benidickson.]

measure;" —resolved that it is expedient to introduce a measure that will enable the government to use the taxpayers' money to build parts of a trans-Canada pipe line 83.4 per cent of the control of which will be in the hands of United States interests.

To be expedient, according to the dictionary, is to be suitable, fitting or convenient. We in this party do not consider it suitable, fitting or convenient to surrender our economic independence to a foreign country no matter how friendly that country may be. We do not consider it suitable, fitting or convenient that our business or the future of our national resources should be dependent on such foreign bodies as the federal power commission. We do not believe there is anything expedient in this resolution. I think the best description has been given by the *Toronto Star* which referred to it as a Canadian tragedy.

I wish to read the last paragraph from an article which appeared in the *Toronto Star* on March 17:

The Trans-Canada deal is so bad that it deserves to be laughed out of parliament. But with the government standing pat, and the Liberal majority evidently ready to fall into line, it is no laughing matter. The stage is being set for a Canadian tragedy.

This is what might be called the third plan for an all-Canadian pipe line. I call it a plan rather than a policy because the government does not appear to have any policy, even today, five years after the first plan emerged.

What is the government's policy in building an all-Canadian pipe line? First, the Minister of Trade and Commerce selected Trans-Canada as the chosen one, the white-haired boy. Trans-Canada sold itself on the basis of its ability not only to finance and build the pipe line but to operate it without financial assistance from the government. Then it became obvious that Trans-Canada could not finance and build the line without financial assistance. Not only does this company need help to build the uneconomical part of the line, but Trans-Canada cannot even build the easiest part of the line from Alberta to Manitoba without help.

During the five years we have waited for the Minister of Trade and Commerce to get going on the pipe line, several suggestions have been bandied around in parliament and in the press. The first of these is that the government might guarantee Trans-Canada bonds. There were hints that the minister liked that idea but that some of his colleagues did not like it. Then another idea emerged, that Trans-Canada should borrow from the international development bank. Nothing came of that idea. Now, finally, there is