

Pipe Line Terminus

Then they had to get a permit from the Minister of Trade and Commerce before they could build a pipe line. They got that permit on the following day, September 13.

Mr. Cruickshank: Of this year?

Mr. Green: This year, just a few weeks ago. That permit by the Minister of Trade and Commerce (Mr. Howe) was issued under the provisions of the Electricity and Fluid Exportation Act, which is chapter 54 of the Revised Statutes of Canada. Under that act wide power is given to issue licences and also to revoke them. Section 7 contains a provision which I think is significant and which reads:

Any such licence may provide that the quantity of power or fluid—

Oil would come under "fluid".

—to be exported shall be limited to the surplus, after the licensee has supplied for distribution to customers for use in Canada power or fluid to the extent defined by such licence, at prices and in accordance with conditions, rules and regulations prescribed by the governor in council.

Mr. Cruickshank: Has this company the necessary finances available?

Mr. Green: The board found that the company is adequately financed.

Mr. Cruickshank: Have they those finances now?

Mr. Green: Imperial Oil Limited has given an undertaking that it will stand behind the company in the event that the company's own finances are not sufficient.

Mr. Cruickshank: I am against the way this is being done. That is why I ask.

Mr. Green: I think that is a good provision in the act. It shows that the legislators—apparently the act was passed as far back at least as 1907—believed that Canada should be looked after first before power or fluid was exported. That is the essence of my submission tonight, that Canada should be looked after first.

Construction of this pipe line between Edmonton and Regina may have been commenced, but I understand no construction has been started on the line from Regina to Superior and it may not be too late for this question to be given further consideration.

A most significant statement was made last week by officials of Imperial Oil Limited. There had been agitation at the lakehead to have the pipe line go through Canada to which the answer was given that it would cost approximately \$10,600,000 more to construct it to the lakehead than to Superior and over \$400,000 more each year for operating expenses. It was stated also that there would be some delay in building it to that point;

in other words, that the pipe line could not be completed to the Canadian lakehead as quickly as it could be to Superior. My argument tonight is in spite of the admission of all those facts. Imperial Oil officials went to Fort William last week and a press dispatch from there dated September 27 reads as follows:

If government assistance is given Imperial Oil to study the possibility of an easily transversed pipe line route through northwestern Ontario, and, if necessary, to subsidize the project, the company will consider terminating the line here, top officials of the oil company stated today.

The officials who were there were P. H. Hewitson, chairman of the board; G. L. Stewart, president; J. R. White, vice-president; and Dr. O. B. Hopkins, president of the subsidiary company, Interprovincial Pipe Line Company. The press dispatch goes on:

The oil men told a gathering of lakehead civic officials and other local citizens at Fort William today that the purpose of the proposed pipe line from Alberta is not to serve the American markets, but to supply their refinery at Sarnia.

You will remember that the evidence before the board was that half the oil was to be refined in the United States. The report continues:

They said it was decided to terminate the line at Superior, Wisconsin, rather than at the Canadian lakehead, because the American route would cost less and could be built sooner. Since the company had to borrow the money to finance the project, the economic factor had to determine the route. Time was also of utmost importance.

That statement has not been contradicted by the officials since the press dispatch appeared. The hon. member for Moose Jaw (Mr. Thatcher) asked the Minister of Trade and Commerce about it on September 28 as reported on page 317 of *Hansard*. His question reads:

Has the attention of the Minister of Trade and Commerce been drawn to the reported offer made yesterday to civic officials in Fort William by Imperial Oil Limited to build its pipe line through Canadian territory to Port Arthur if government assistance is forthcoming? Will the government investigate the offer, with a view to reconsidering its former decision?

The Minister of Trade and Commerce gave a peculiar answer which I am going to read to the house:

My hon. friend suggests that the government has made a decision. So far as I know, the government has made no decision. A private project has been placed before it, and the appropriate branches of government acted upon that project as required by law. The government has received no proposal in the matter, and I doubt whether a proposal will be made to the government concerning a private project of this kind.

This is not a private project in the ordinary sense; it is a project of vital importance to every part of Canada and it should be treated as such. My submission is that the main pipe