

Northern Ontario Pipe Line Corporation

States are the logical markets for Canadian gas and are best able to pay a fair price and purchase large volumes for their present markets. Instead of selling gas in this market to the existing companies, Trans-Canada proposes to sell its gas to a company which cannot pay a fair price because it does not control the market and must construct millions of dollars of duplicating facilities to market Canadian gas and unnecessary pipe line link to its system in Tennessee merely to comply with the policy of the United States requiring the use of Canadian gas only as a supplemental supply. This is shown by the fact that the Tennessee company will pay Trans-Canada some \$2 million a year less for Canadian gas than would have been paid by Northern Natural Gas Company an existing pipe line from the United States, under its proposal to purchase approximately the same volumes.

Mr. Dickey: But they were turned down by the federal power commission.

Mr. Harkness: They were not turned down by the federal power commission, because Canadian gas was not available and was not going to be available for some time.

Mr. Dickey: They were turned down because the price was too high.

Mr. Harkness: I think there is no doubt that from the producers point of view we have, in this present proposal, a plan which will give the producers a lesser price in order to benefit the United States, the Tennessee company. The minister attempted to confuse this issue also by pointing to the example of the Westcoast Transmission Company, where you have a totally different situation and where the federal power commission as a matter of fact tried to put the Westcoast Transmission Company at the mercy of the United States producers, by refusing to allow it to carry the gas across the boundary. When you try to compare the price the company is getting under those circumstances with the price you might be getting at Emerson, that is a wrong type of comparison.

In addition to all this, the success of the Trans-Canada plan is dependent upon the United States federal power commission giving permission to Tennessee to import Canadian gas at Emerson and at Niagara. It is abundantly clear that this permission will not be secured for some years, if ever; yet in the face of all these facts which I have been talking about the minister in announcing the proposal now before us said at page 3665 of *Hansard* for May 8:

The action proposed today is another declaration of independence by Canada, affecting the building of an all-Canadian pipe line.

I would say it is hard to imagine any statement on the pipe line which contains such utter nonsense as that. The *Winnipeg Free*

Press in commenting on that statement on February 9 characterized it as poppycock and went on to say:

Under the new plan, all we will have without United States approval is a hopelessly uneconomic pipe line. The taxpayers of Canada will have spent \$80 million on a white elephant.

Surely the Minister of Trade and Commerce is not so hopelessly confused on this issue as to believe his own statement which I have just read. If he is that confused I do not think many other Canadians will suffer from what we should perhaps call equally childish mental processes. The thing is so palpably wrong and ridiculous that I wonder how the minister could ever make such a statement.

To turn to another phase of this matter, the chief argument and bait put forward by the government and its supporters in favour of this scheme seems to be in regard to the urgency of getting the pipe line built at once. They say in effect that this must be done immediately, that this is the only scheme under which it can start in June in order to have the Alberta-Winnipeg leg completed this year. This line of argument, these cries on the part of the government, remind me of two phrases which we used to hear very frequently before the last war. These are phrases which all hon. members will remember; "peace in our time," and "peace at any price".

Mr. Hosking: The Conservative slogan.

Mr. Harkness: If we paraphrase those slogans we would have "a pipe line this summer", and "a pipe line at any price". These seem to sum up in slogan form what the government are saying and the arguments they are advancing.

As far as the first slogan is concerned, I think all Canadians would like to see the first part of the trans-Canada pipe line built this year. But I do not think many Canadians are in favour of a pipe line at any cost; at the cost of United States control of this great resource; at the cost of reduced returns to the producers, and at the cost of an uneconomic line. The cry of the government now is the absolute urgency of getting the pipe line started. In view of that it may be well to ask who has been responsible for the delay of some six years since this project was first talked about. To begin with, the Alberta Social Credit government held it up by refusing to permit the export of gas from Alberta.

Mr. Blackmore: Why did they do that?

Mr. Harkness: Therefore the first responsibility for delay lies with them. In spite of anything they may say, the first responsibility for delay lies with the Social Credit government of Alberta. Since the time Alberta