

Northern Ontario Pipe Line Corporation

you will not know how to handle when you get it if you have not got the personnel to look after it.

An hon. Member: We will hire you.

Mr. Pallett: What assurance does the government have from this unnamed corporation, as some other speaker has asked, that they will build this missing link from Winnipeg to the Ontario boundary? We have the northern Ontario section all set up; we have the Winnipeg section set up, but what is going to run in between? Are they going to come back with their hat in their hand and say, we set a date of June 7 before, but not this time. We need another \$70 million or \$80 million to build that missing link. Is there a performance bond filed anywhere? Even in the simplest contract they usually require something of that sort.

What is the population figure for the people who are actually going to be served by this pipe line in Canada? How many people are going to be served by the first link, the missing link and the northern Ontario link? Let us have the numbers.

Three weeks ago the minister said they suddenly found that this company could not borrow money. He sits in this house beside the Minister of Finance who dictates the financial policy of this country, but the two of them cannot get together so that this company can borrow money from private sources. It is a sorry sight to see that.

Mr. Hodgson: Why borrow it when the government will give it to you?

Mr. Pallett: Why borrow it when the government will give it to you? A very wise statement. Let us have the answer to the question of how much gas is going to go through this pipe line. How much is going to be needed by the people of Canada?

An hon. Member: It is all broken down.

Mr. Pallett: Show me on *Hansard* where it is. I do not want some representations by this company whose word, according to the Minister of Trade and Commerce, is no good. Let us have it from the minister himself. What pipe has been ordered from Canadian companies? The minister suggested that there is no company in Canada capable of making 34-inch pipe. I could tell him the name of one.

Mr. Howe (Port Arthur): Give us the name of the company.

Mr. Pallett: Within 14 miles of my home town; you had better familiarize yourself with what is going on in this country.

Mr. Dickey: Put the name on the record.

Mr. Pallett: Anybody who knows anything about rolling pipe knows that a 34-inch pipe

[Mr. Pallett.]

is the fatherless son type of pipe. It goes 18-inch, 24 and 30. I wonder if somebody is stuck with some steel somewhere and wants to get rid of it? I do not know.

Mr. Howe (Port Arthur): Mr. Chairman, my hon. friend claims to know everything. He said he could tell me the name of a Canadian outfit that makes 34-inch pipe.

Some hon. Members: Name the company.

Mr. Pallett: I think it is only fair that we should have a little tit for tat and if the minister will answer my questions first, I will answer his.

Mr. Dickey: Welcher.

Mr. Pallett: What is the full cost of running this pipe line? Do you know what the estimated cost is? How much is it going to cost to operate it? What is the cost of operation from Alberta to Winnipeg and then on? We do not know. Let us have the answer. We may have to take over this pipe line and we want to know something about running it.

Mr. Langlois (Gaspé): Who wrote that for you?

Mr. Pallett: Well, my friend, I can read it, which is probably more than you can do. There is one question that I think affects pretty well every Canadian, and it should be answered. Why is money being made available to this unnamed company at 5 per cent when national housing loans to Canadians are at 5½ per cent and the industrial development bank interest rate to Canadian companies is not anywhere near 5 per cent and Canadian money going through the Canadian farm loan board to Canadian farmers is only guaranteed at 5 per cent up to the end of this year? The suggestion is that it will be higher. Why do we lend money to Americans at a lower rate of interest than we are prepared to lend it to Canadians? I might also add that the percentage of the loan is higher. A 90 per cent percentage loan is higher than any National Housing Act loan on the books. The government will not authorize loans to Canadians higher than 60 per cent of the over-all National Housing Act loan.

Mr. Winters: The loans to limited dividend companies are 90 per cent.

Mr. Fleming: On your evaluation.

Mr. Pallett: Since the Minister of Public Works deigned to interject, what about the rate of interest on those loans?

An hon. Member: What terms?

Mr. Winters: Three and three-quarters per cent, Mr. Chairman.