

Northern Ontario Pipe Line Corporation

I should like hon. members to note the next sentence Mr. King used on that occasion:

If ever in this world there was evidence of an autocratic power used to the 'nth degree, we have it in what we are witnessing at the present time.

If there is anything in spirits and ghosts walking this earth after a man like Mr. Mackenzie King has passed on, I am sure his ghost must be haunting every cabinet minister every night during the course of this debate.

Necessity they say; necessity arising from the commitment that this government has made to a private company. May I remind them of another famous quotation by William Pitt in the debate on the India bill in 1783 when he said this:

Necessity is the argument of tyrants; it is the creed of slaves.

Mr. Chairman, in the few minutes that are at my disposal may I come to the issue that is before us at this present time, namely the issue of the across-Canada gas pipe line. As a Canadian, Mr. Chairman, I am intensely interested in this great national project of an across-Canada natural gas pipe line so as to make available to other areas in Canada this economic fuel of which there is such a tremendous abundance in the province of Alberta. Further, Mr. Chairman, as a Canadian from the city of Winnipeg I am particularly interested in the immediate building of a pipe line across the prairies so that, without further delay, this economic fuel might be available at cost of production and distribution to the people of that city as well as the people of other cities and towns in Saskatchewan and Manitoba.

We in the city of Winnipeg have learned that there are times when you must look at certain propositions a second time. We recall to our sorrow what our city fathers, the city council of Winnipeg, did in the year 1881. It is familiar to all of us in Winnipeg but I happen to know something about it because, when I was on the city council myself in the early part of the 1940's, we took the first steps to try to do something about the mistake the city council had made in 1881. What was that mistake? In order to get the Canadian Pacific Railway to build its main yards, so far as Manitoba was concerned, in the city of Winnipeg it passed a by-law in 1881 and made an agreement with the Canadian Pacific Railway—

Some hon. Members: This is the pipe line.

The Deputy Chairman: Order.

Mr. Knowles:—which made that railway free and exempt from all municipal taxes, rates, levies and assessments of every nature

[Mr. Knowles.]

and kind. For how long? For ever. Mr. Chairman, the city of Winnipeg has since tried to find whether there was not some way to change that arrangement, which has cost us many millions of dollars. The matter went through all the courts of this country, to the Supreme Court of Canada and to the privy council but it has been ruled that that bad deal which the city council of Winnipeg made in 1881 binds us in Winnipeg in perpetuity, for all time, for ever—and then some.

Mr. Chairman, it is because of our experience with bad deals like that, that we in Winnipeg—much as we want gas from Alberta in our city as soon as possible—realize that we must take a second look at any proposition that is presented to us, particularly when it is presented to us by the present Liberal government. When we look at this present proposition, what do we find? Do we find that it is in the main a way of getting gas to the cities and towns of Saskatchewan and Manitoba and eventually into Ontario and Quebec as well? No; we do not. We find that this is a proposition to aid Tennessee Gas and its associates in its gamble, its effort to try to break into a lucrative, profitable American market. That company knows that if it could get cheap gas from the inexhaustible supplies in Alberta and get that gas into the central and mid-western American market, it could compete with the other companies that are distributing gas in that area and make huge profits. That company has found that it cannot get a permit from the federal power commission to import gas into the United States. That company has the notion that, if it had the line built from Alberta down to Emerson, its case for getting a permit to import gas into the United States might be that much better. But despite the fact that the company believes that its case might be that much better, it has not been able to persuade private investors that it is a gamble worth putting private money into. People with private money are afraid that the federal power commission's permission will not be given and so it would be money put into a white elephant. So this same Tennessee Gas company comes along and asks the people of Canada not only to let it have Alberta gas as a pawn in its competitive game but asks the taxpayers of Canada to put up \$72 million or \$80 million—actually up to \$200 million—to enable them to get into a position to strengthen their case in applying for a permit from the federal power commission.

Mr. Chairman, this parliament of Canada is being asked by this bill to put Canadian gas and Canadian taxpayers' money on the