

*Mid-Continent Pipelines Limited*

the committee calls for the construction of a gas pipe line throughout Canadian territory all the way.

In view of certain things that have been said with regard to the discussions that have taken place, I believe it is appropriate to explain our position because there is a matter of very great importance to all Canadians involved in the bill. It is true that if the bill passes it goes no further than to provide for the incorporation of a gas pipe-line company. After that it will be necessary for this company, as well as other companies, to place its application before the appropriate authorities who will consider the whole problem and ultimately make a decision as to which company will have the right to carry natural gas in this way.

In the remarks I made I pointed out that I did not believe that economic factors can be disregarded. I indicated that I thought it would be folly to deny all considerations of cost and economy when considering the course that should be followed. I pointed out that we have many dealings with the United States, and have had for long years, under which resources of one kind and another are sent in certain cases from Canada to the United States and in other cases from the United States to Canada. I am sure that will continue. For example, we have enormous quantities of coal in Canada, but it has been recognized that it is economically sound for the large industries of western Quebec and southern Ontario to import industrial coal from the United States.

This exchange of resources is by no manner of means a one-way traffic. For generations the United States have been receiving from us raw materials which they require for their industrial development. I have no doubt that they will continue to receive raw materials of different kinds. This exchange between the two friendly nations is bound to go on. Nevertheless the point I should like to make is that economic factors alone cannot decide a question of this kind. We must at the same time consider the general welfare of the nation. In making a decision of this kind, it is possible that there might be certain economic advantages in exporting raw materials of a certain kind in a certain way. On the other hand, we must weigh the advantages of retaining certain priorities with respect to these raw materials, and decide what is going to contribute most to the general welfare of Canada.

This is not simply a problem that relates to the advantage of one particular part of Canada. Every part of Canada gains from the development, expansion and greater popu-

lation of other parts. We must look at it in that way. Southwestern Ontario has been a large consumer of natural gas from the United States for a great many years. That area has also been a substantial producer. Until recently the possibility of the export of natural gas from Canada to the United States had not called for serious consideration. Now, however, we find ourselves for the first time in our history with large quantities of natural gas available in Alberta, Saskatchewan and British Columbia, the main source at present being found in Alberta.

As a party we have gone on record as expressing the belief that, subject to our own reasonable requirements, we should not hesitate to enter into arrangements with the government of the United States for an exchange whereby gas would be exported south from the western Canadian fields while gas would be exported north to eastern Canada from fields in the United States. That does not in any way preclude development along the lines contemplated by this bill or another bill that was before the house on an earlier occasion, but obviously there were certain economic advantages in bringing gas directly north in the east and in shipping gas directly south in the west, subject always to Canadian priority in the use of its own raw materials.

The situation before us now is not such as we were discussing on earlier occasions. Under the measure before us we are discussing the advantage of exporting gas from Alberta to eastern Canada mainly for use in Ontario and Quebec. A question has been raised as to whether it is to the advantage of Canadians generally, and particularly the people of Alberta, to export that gas through the United States or by a Canadian route north of the great lakes.

Let me make one comment in that regard. We can be quite sure that if the gas is carried through the United States by a pipe line south of the great lakes we are only deluding ourselves if we suggest that this can be done in bond. We know perfectly well that if gas is carried by a pipe line south of the great lakes it is going to be used in the United States.

One of the reasons that it would be cheaper to handle gas carried south of the great lakes is that it could flow into the Panhandle grid and be distributed to consumers in the United States. I have not spoken to anyone really well informed on this subject who did not admit immediately that if a pipe line goes south of the great lakes, for many practical reasons that gas will be used in the United States.