At the beginning the pipe-line will carry 365 million cubic feet of gas per day, and it may increase this amount to 500 million cubic feet per day. The company will not distribute the gas in any city in Canada, but will make gross sales to the main distributing companies across the country. In other words, the company will not enter into competition with the existing distributing companies but will encourage the organization of distribution companies to serve communities where gas is not now used. The company has entered into conversations with most of the main distributing companies operating where it is proposed to build the pipe-line—among them being the Consumers Gas Company of Toronto and the Montreal Hydro Company—and it seems that it has been greatly encouraged to spend money and carry gas down east. At the present time there is no company incorporated which proposes to operate east as far as Montreal. So far as I know the only company which intends to operate in the east at all is the Pacific Coast line, which will run to Winnipeg and from there down to the States.

The financing of the company will be done through the sale of its shares, and also the sale of bonds and debentures. The company intends to make a distribution of its bonds, debentures and common stock amongst the Canadian people to as great a degree as possible, so as to encourage investment in the company among the people who will be consumers of its gas.

**Hon. Mr. Lambert:** Will my honourable friend permit a question just here? In the Montreal *Gazette* of this morning I noticed that on the first page, prominently displayed, there was a reference to this bill, and it was stated that Texas capital would be represented in it. Can my honourable friend indicate the probable division of the capital in the enterprise as between United States and Canadian investors?

**Hon. Mr. Bouffard:** The project has not advanced far enough to make it possible for anyone to say anything definitely on that point yet. The present sponsor of the whole project is the Delhi Oil Company, a Canadian concern, which is backed up by the Delhi Oil Company of Texas. The company has already spent a tremendous sum of money in Alberta, and on the particular project which this bill concerns it has already expended more than $300,000. So far it has been exclusively American money that has been spent, but later the company intends to invite Canadians to take as large an interest as possible in the concern. I am sure there will be a proper and just division of the capital as between American and Canadian investors. It must not be forgotten that the amount of money needed by the enterprise will be tremendous, at least $250 million.

May I say one more word about the whole undertaking? If gas from Alberta is used in the proposed project, Canadians will save at least $60 million a year on their purchases of oil and coal from United States fields. I believe that in future we shall need to conserve our American funds, and therefore this expected saving will be very much to the good for the Canadian people.

If the bill is given second reading, I shall move that it be referred to committee, where an expert from the company will be present to answer any technical questions that honourable members may wish to ask. I think that the mo ion for adoption of the principle of the bill is not the proper stage at which to discuss financial and other details.

**Hon. Mr. Davies:** May I ask the honourable gentleman a question? If this bill goes through and the pipe line is built, does he anticipate that there will be a reduction in the cost of gas to the people of Ontario? From what I have read in the newspapers today I gather that the price of gas to the consumer is now quite high, and that it is going to be higher. I wonder whether this company which proposes to spend $250 million looks forward to a substantial reduction in cost to the consumer.

**Hon. Mr. Bouffard:** It is rather difficult to say what the reduction in cost will be, but I would point out that the heating value of natural gas is about twice that of artificial gas manufactured from coal. In that way the cost to the consumer will be reduced, but we cannot now say to what extent. That information may be available when the bill is before the committee. I may say that the companies which have been communicated with as distribution outlets for the natural gas are quite satisfied that they will be able to sell better gas at a price that is lower than today's price.

**Hon. Mr. Euler:** Will the large quantities of gas to be brought to Eastern Canada by this proposed line interfere in any way with the export of gas to the west coast of the United States? Is the supply sufficient to take care of both markets?

**Hon. Mr. Bouffard:** This question will be submitted in detail to the Gas Conservation Board of Alberta; but I would point out that the gas to be exported to Eastern Canada will come from other districts in Alberta than the Peace River area, which is now the