

Mr. SIMPSON: I understand that this proposed company intends to transport light liquid petroleum gases. Apparently this scheme is relatively new in the petroleum industry, and I am wondering whether there are in existence, or proposed, other transportation lines transporting these light petroleum gases at this time.

Mr. RONALD K. BANISTER (*Executive*): Mr. Chairman, there are lines in existence in Canada carrying out similar operations. My company built such a line for the Imperial Oil Company from the gas plant at Devon to Edmonton. This system involves a small line carrying pentane, another carrying butane and still another carrying propane.

We feel that the export of gas that is taking place in western Canada at the present time is bound to increase as the years pass and that there will be a surplus of these light end products. We feel that the local markets are not sufficient to consume the present and future production of these light petroleum gases and that quite possibly they will have to be stored during peak producing periods and sold when the market is developed. We propose to connect this pipe line to the natural storage basins, to carry these light petroleum gases during peak production periods, perhaps in the summer months when there is very little of this propane or butane being used on the farms and so on, to be stored in the natural storage basins, and to be used in the winter when the demand increases.

Mr. BENEDICKSON: Mr. Chairman, I am still concerned with this problem of putting the cart before the horse. Are we in a radically different position now from formerly, in so far as feasibility and the competitive nature of the scheme are concerned, when all these items were considered by the board of transport commissioners following parliament granting incorporation to a pipe line company? It is true that we now have substituted the more specialized group of the national energy board for the board of transport commissioners, but I do not feel that parliament has surrendered its right to give these matters consideration particularly in view of subsequent desirability. I do not feel we should grant incorporation merely on the ground that the personnel applying are good citizens without making some inquiries regarding the intentions of the proposed company.

Mr. Chairman, I was very pleased to hear one of the witnesses before this committee clear up the misunderstanding that the embodied proposal was new or unique in the petroleum industry. Two companies of a similar nature to the proposed company were recently incorporated, and I refer to the Aurora pipe line company and the Foothills pipe line company, as well as that one mentioned by Mr. Downey. These companies are engaged in the moving of similar light petroleum gases.

How close would this proposed line be to an existing line which has already obtained approval to export a product of this kind, or has there so far been a permit given to export this particular type of product? In other words, would this line be so close to an existing pipe line that it would simply be able to deliver to that pipe line company which has already been given authorization to export, and therefore would not have to come back to us or to the national energy board with respect to the problem of export at all?

Mr. NUGENT: In answer to the first part of your question whether or not the cart is before the horse, I would point out to the committee that in so far as parliament is concerned with knowing exactly what they are going to do once incorporated, if they should build that first 400 miles of line and then wanted to extend it to Winnipeg after that, they would merely go before the national energy board. They would not have to come back to parliament. In other words, Trans-Canada Pipe Lines could take a look at this and make a feasibility study of it and go just before the national energy board and have it done.