

*Appropriation Act No. 8*

The only difference of opinion occurs in respect of whether we believe in continentalism or whether we should keep a sufficient quantity of gas to meet the needs of Canadian industries. Let the Liberal members from northern Ontario make no mistake. Our needs are not filled by the amount of gas now made available in northern Ontario, and I refer particularly to potential demand. This demand can only be met if we have surplus gas. With that surplus, more industries will develop in that area because they will be closer to the supply of this natural energy.

The late C. D. Howe had a great deal of foresight, but he did many stupid things in his lifetime. In spite of that, he had a plan into which everything fitted properly. His plan was to bring gas to northern Ontario to serve a need. The prediction of the Trans-Canada people, as presented to the National Energy Board, to the effect that the needs for 20 years would be 10 per cent of the gas transported through that line was wrong. Almost 25 per cent of the gas travelling through that line is being used in Ontario—it is actually 18 to 22 per cent.

Are the Quebec members, including the Minister of Energy, Mines and Resources, not aware of the fact that we are transporting gas through northern Ontario into Quebec and that the smelters at Noranda are not getting enough gas to fill their requirements? This line is only an eight inch line, but it should be extended into many more communities in northern Quebec. We are not being selfish with this gas, but we believe it should be used for the development of our own industries.

**Mr. Watson (Châteauguay-Huntingdon-Laprairie):** Mr. Chairman, will the hon. member permit a question? Does he not agree that if the pipe line is put through the United States with a spur to Sarnia the consequence will be a greater flow of gas into Canada at Sarnia, making gas available to a greater extent to communities in northern Ontario? I refer, of course, to interruptible gas. I think the hon. member's argument is fallacious.

**Mr. Peters:** In 1961 the estimate of the amount of gas coming into North Bay in northern Ontario through the Trans-Canada line was 350 million cubic feet. If we twin the line from Alberta we will supply 760 million cubic feet per day. If we twin it from Winnipeg only we will supply something in the neighbourhood of 450 million cubic feet. I suggest there is a great deal more potential in respect of an interruptible supply if we twin the line that way.

[Mr. Peters.]

It is interesting to note that while the people in Montreal do not seem to be worried about the supply, they are only receiving 176 million cubic feet through the Trans-Canada line. If this line were twinned to Toronto, there would be approximately 350 million cubic feet available. This tremendous amount can only be made available by twinning the line.

Gas can be stored, although that is an expensive proposition. It can be stored in oil wells, for example, or in underground caverns. In this way we would not interfere with the Canadian demand for this natural energy.

• (3:50 p.m.)

We are going to allow the United States to take out of that storage whatever appears to be surplus at almost any time. We will have to do this. Eighty-seven million cubic feet is nothing to the United States market. This is not the reason for the hullabaloo on this question, and is not what the Federal Power Commission was told. The Federal Power Commission is of the opinion that this application is only a foot in the door. They are of the opinion, and I think they are right, that the requirement of the Canadian market will be static; it will be the same ten years from now as it is today. But the markets in the United States will have multiplied tenfold, twentyfold and even thirtyfold. Therefore, the requirements will be in the United States and not in Canada.

It will be reasonable then to go to the Federal Power Commission and the National Energy Board and ask for a rearrangement of this situation. I suggest that even the party to which I belong would not have the guts to shut off the line at Emerson once the industries in the United States had been developed around it, because we would know that the pressures and sanctions applied to us would make it impossible to enforce the curtailment of the gas going to the United States.

What does this agreement mean to other areas? I have received a number of telegrams from communities in Northern Ontario. I should like to read one that I received from the reeve of the township of Teck. This is an area in which the people of Canada have spent millions and millions of dollars in subsidies for many years. The people in the area do not really have anything to develop. The people of Canada have kept the community in existence since 1940 through assistance under the Emergency Gold Mining Assistance Act. This community has been in existence since 1948 by reason of direct subsidies. This is