south route, following the present interprovincial oil pipe line, is definitely the most economic. Compared to a line north of lake Superior to Toronto and doubling back to the Sarnia area where essential gas storage fields are located, the southerly system would cost as much as $35 million less. It would also be in a better position to expand markets in mass-populated areas in the United States. The all-Canadian route would make a difference of two to three cents per thousand cubic feet in transport costs, which would have to be assessed back against western producers in the form of lower wellhead prices, since competition with other fuels will impose a tight ceiling on the selling price of gas in the east. If it is established that national interest really requires the more expensive route, the added cost should be a charge against the nation as a whole, not a charge alone against the producers of the west and their provincial government partners.

Fourth, a getting together at top level of government officials in Ottawa and Washington in an earnest effort to work out a continental plan on gas that will provide Canadian-American co-operation to ensure the most economic matching possible of gas reserves to markets irrespective of their nationality, with equal security of supply provided to consumers whether or not in the country of origin.

Such a plan could speed the capturing by Canadian gas of essential markets in the Pacific northwest and thus permit the construction of Westcoast Transmission. It could speed the capture by Canadian gas of essential markets in the Rocky mountain and mid-west states, which would result in benefits by way of expansion of development of western Canada's still scarcely-tapped resources. It would ensure improved economics for a pipe line to eastern Canada by use of a short-term supply of American gas in our own east and it would open the door ultimately for sale of further surplus Canadian gas into the northeastern United States.

Mr. Speaker, these general proposals I have outlined I believe recognize the realities of gas reserve and market prospects in Canada and the United States. Western Canada, for example, has been expanding its proved gas reserves at a rate of over four trillion cubic feet a year. If incentives to explore—and by incentives I mean markets and fair prices—are provided, continued rapid growth of reserves is expected to continue for many years. I might say that every one to two years western Canada is discovering enough gas to supply one major pipe line project for at least twenty years. There is every reason to expect that ultimate reserves could be large enough to serve all markets, Canadian and American, within economic reach of our western gas fields for far more years than any of us needs to worry about.

The United States, while possessing far larger gas reserves than Canada, has a present and future gas market that is proportionately even larger. Its own long-term security of gas supply will be assisted, and not injured, by any steps the United States may now take to speed the growth of western Canadian gas reserves. Such steps could include opening the doors of nearest United States markets to Canadian gas, in solving the problem of eastern Canadian gas supply by a relative short-term dedication of American gas to Ontario and Quebec in sufficient volume to service the mass population region of our east, and provide a market build-up in readiness for an ultimate Canadian gas supply.

I believe that this general plan recognizes that a long-term commitment of sufficient American gas to supply all of eastern Canada would be less preferable to American consumers along the Tennessee Transmission and Panhandle Eastern pipe line systems, whose own gas hunger is expanding rapidly, than a short-term commitment that would be followed up by access in time to new Canadian sources of supply to their customers.

The plan outlined for solution of Canada's gas problem is, I believe, not only practicable but is economically sound, and I believe politically feasible. It would open markets faster, at the best possible prices, for western Canadian gas, thus stimulating western oil and gas development and speeding growth of proved oil reserves for the long-term needs of all markets within economic reach. It would get Canadian gas to British Columbia and the northwest United States in a hurry and at competitive costs. It would get Alberta gas to southern Saskatchewan, Manitoba and into the Minneapolis area at prices fair to both producer and consumer in a little over one year. It would get American gas into eastern Canada in large volume within a year. It would cut about $200 million from the immediate capital requirements for pipe line construction and it would make all the projects more economically sound. It would pave the way for an Alberta-eastern Canada pipe line connection a few years hence on a very much sounder basis than is possible today. It would raise the value of our western gas reserves by tens of millions of dollars. It would cut the cost to Canadian consumers, and to American consumers too, by more tens of millions of