

Private Bills

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have been interested in reading the report of the Committee on Transport and Communications on this bill because of the legislation which we have been passing lately which has been giving to other boards the responsibility for much of the work that the House used to perform, and to a small extent still is performing, with regard to this type of bill. As hon. members know, this is a pipeline bill which raises a problem which occurs frequently in that the company is asking, not for a Canadian route, but for a route through the United States and therefore the establishment of a number of companies rather than of one operating on the Canadian scene. I have read the report and I think that it is interesting to note that, as pointed out by the company, two thirds of this route would pass through Canada and one third through the United States. The cost of it would be \$4 million for the Canadian section and \$2 million for the U.S. section. Why it is more expensive per mile in the United States than in Canada is difficult to understand. An hon. member who sits close by says that the reason for this is that the terrain there is rocky.

This leads me to the other argument made by the company when they were asked why the route did not go through Canada. The company pointed out that the alternate route would be from the Trans-Canada line through the edge of the Canadian shield and thus would be plagued by both water and rocks, which was not felt to be advantageous. This might not be the real reason for the route not crossing Canada, and this raises a problem which I wish to mention. The reason that the route is brought down through the United States is that this company intends to sell a considerable amount of gas in the United States. They have established a U.S. company to work in co-operation with the newly established Canadian company, both companies being held by Inter City Gas. The reason for this is that there is a lucrative market for gas in the United States and only a limited one in Canada. For this reason, I believe that the representative of the company would have been more accurate if he had stressed the fact that money would be derived from the route in the United States.

● (5:00 p.m.)

As we all know, there is a very limited market in that area. It is probable that the only reason the pipeline is coming back into Canada is to serve the new pulp and paper complex in the Fort Frances area. We are not

[Mr. Reid.]

opposed to this. In fact, we are pleased that this particular development is taking place and that gas can be brought in to make feasible the operation of that pulp and paper complex in the Fort Frances area.

I think one weakness of the committee discussion is the inability or lack of desire to find out the comparison in cost in terms of the service to Canada from this pipeline. I am not sure from reading the report what the distance would be as I do not know whether it is to be brought directly into the Fort Frances area from the Trans-Canada pipeline or brought from south of Winnipeg into the Fort Frances area. This is an important matter and obviously will have some relationship to the cost per cubic foot in terms of gas delivered to the Canadian pulp and paper complex at Fort Frances and the difference that will be created by the amount of gas sold in the United States from points along that pipe line. It is unlikely it will pass through a number of communities without some sales being made.

I have been pleased to note that in the main this is a Canadian operation, with a large percentage of the shares held by Canadians, approximately ten to one, and that it has been quite successful in selling gas in Minnesota and southern Manitoba. I have always been concerned with the choice of a route for either a gas or oil pipeline. We will again be faced with this problem when we consider developing an oil line across Canada to serve the eastern markets.

It seems that we are depending entirely on the National Energy Board to make the assessment of whether the costs justify the means or whether the company should decide where to build a pipeline on the basis of serving a larger area with larger sales. This shorter route should be weighed against the proposition of an all-Canadian route. There may be savings through lower cost, although there may be an increase in capital costs for installation purposes and the volume would be less than if it served a large number of communities.

I believe this company has a good record, Mr. Speaker. Obviously, it does since the committee has agreed to this proposal. However, I am still concerned about this matter. I did not have the opportunity that committee members had of seeing the map showing where the proposed structure would be. I do not know if it is to be built from the Trans-Canada pipeline on the north to the city of Fort Frances on the south, nor am I aware of