

*Trans-Canada Pipe Lines*

before the commission will be the question of the effect on eastern Canada as a result of the export of gas into the United States. I subscribe to the idea that the presently existing Trans-Canada pipe line will find itself in the position, on the basis of the estimated demand for gas in eastern Canada, of concluding that the domestic transmission of gas will be theoretically sound economically speaking. That is based on their first application to the Alberta conservation board when they asked for a limited supply and, of course, it is not necessary to quote that figure in this house. I think you will agree that finding themselves in that position they will likely have to go back and make application for an additional volume of gas if export is granted. What does that mean to the eastern market in this country?

I suggest it may mean anywhere from 5 cents to 7 cents per thousand cubic feet based on the fact that the reduced sale at a lower contract wholesale price on an uninterrupted basis will, as it has done in past years, produce a lower price at the gates of Toronto or at other eastern points. That is the consideration with which the consumer is concerned.

In the early part of the debate one of our members came to me and said, "Well, what is the position of Canada and its future needs?" I have already stated that based on present reserves of gas, based on domestic requirements and based on the proposed export of gas into other areas of this continent, we still have for the next 25 years a reserve of 47 trillion cubic feet. But what I did not say, sir, is that we have not begun to search for gas in western Canada because until recently we have had no market for it. I am speaking, of course, of the relative situation up to the present time.

In actual fact the discovery rate of gas in relation to oil wells has been about eight to seven, and therefore I am certain it would be assumed by hon. members that if you found a gas well when you were looking for oil or conversely you would actually receive a bonus. The fact of the matter is that that has not been the case. If you drill an oil well that produces 10 barrels a day and a well that produces five barrels of oil and a relative amount of gas you will naturally receive less than half the price that the oil marketer has had in the past because of the lack of a market for our natural gas. The discovery of gas related to cost of discovery has in its very nature been a deterrent to the development of the petroleum industry in western Canada.

The next question would be this. That being the case, does it not mean that you can

[Mr. Smith (Calgary South).]

keep that supply in the ground and use it for some future need in the development of Canada? I think this is really the critical point where perhaps some of us may disagree. I suggest first of all that this house does not have any understanding of what our reserves are. I suggest also that in the orderly development of the reserves of resources in Canada you cannot turn the tap on or turn it off to suit conditions and orderly development must depend on exploration.

**Mr. Speaker:** It being 8.15 p.m., it is my duty, in accordance with the arrangement reached between all parties, to interrupt these proceedings and put forthwith the question on any amendment before the house.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

## YEAS

## Messrs:

Argue  
Barnett  
Bryce  
Bryson  
Campbell  
(The Battlefords)  
Castleden  
Coldwell  
Ellis  
Fisher  
Herridge  
Johnson (Kindersley)  
Knowles (Winnipeg  
North Centre)

Lewry  
Macdonald (Vancouver-  
Kingsway)  
McCullough  
Martin (Timmins)  
Peters  
Regier  
Schulz  
Stewart (Winnipeg  
North)  
Winch  
Zaplitny—22.

## NAYS

## Messrs:

Aitken, Miss  
Anderson  
Ashbourne  
Balcer  
Baskin  
Batten  
Beech  
Begin  
Bell (Carleton)  
Blackmore  
Bonnier  
Bourget  
Bourque  
Breton  
Broome  
Brown (Essex West)  
Browne (St. John's  
West)  
Byrne  
Campbell  
(Lambton-Kent)  
Cannon  
Cardiff  
Cardin  
Caron  
Carter  
Cathers  
Chabot  
Chevrier  
Chown  
Christian  
Coates  
Comtois  
Courtemanche

Crouse  
Deniset  
Deslieres  
Diefenbaker  
Dinsdale  
Dumas  
Dupuis  
English  
Eudes  
Fairclough, Mrs.  
Fairfield  
Fleming  
Fraser  
Fulton  
Gardiner  
Gauthier (Chicoutimi)  
Gauthier  
(Lake St. John)  
Gauthier (Portneuf)  
Gingras  
Gingues  
Gour  
Green  
Grills  
Habel  
Hahn  
Halpenny  
Hamilton (Notre Dame  
de Grace)  
Hamilton (Qu'Appelle)  
Hamilton (York West)  
Hansell  
Harkness  
Harrison