

*Appropriation Act No. 8*

I should like to quote from a telegram I received from a representative in Kapuskasing. I had asked what the situation was. This telegram is dated November 7:

Impossible to compute percentage of gas cutbacks at Spruce Falls due to varying loads mill requires 500 m.c.f. per hour. Cutbacks range down to 71 m.c.f. per hour. Summer supply fairly constant from Oct. 5 to Nov. 5. Fourteen days with cutbacks. Situation will get worse as winter sets in. Gas cost 43 per thousand much cheaper to operate than coal at this price. During cutbacks gas and coal are burnt simultaneously to achieve boiler output.

Mr. Chairman, there is not enough gas to meet the needs of northern Ontario; this is a fallacy. If we are going to use the cheapest source of energy in northern Ontario, we must have a huge surplus of gas. Then, they will either burn it because it is in most cases cheaper, or they will sell it to a new industry which will develop because it will learn that commodity is cheap and in surplus supply. I think this is important to Canada when we are putting millions and millions of dollars into the area development program, which in most cases is not working.

● (3:40 p.m.)

We were asked to build the northern section of the trans-Canada pipe line and we did so. We offered to return it to the company after ten years, and they damn well took it back. They were happy to do so. I suggest that the money we put into the development of that line across northern Ontario was well spent.

I am not concerned whether this line goes along the existing northern route or whether it is a secondary route to Sault Ste. Marie and Sudbury. If we put money into it, we will save millions and millions of dollars over a long period of time and create a great incentive for the development of new industries in that area. This will create a great many more industries than the minister has been able to create so far. He has not been responsible for any new industries in that part of the country, yet I can name eight or nine new plywood factories and two iron developments which have been established. The development of the Timmins hydro proposition will depend to a great extent on whether there is a sufficient quantity of interruptible gas in that area.

Is it only the N.D.P. that is interested in this problem in Canada? Certainly, the Social Credit members have looked at this in a narrow sense. Once we have met the current and potential demands for natural gas in this country any surplus should be sold, and I

have absolutely no objection to that gas being exported. In this way we could serve the markets in Toronto, Sarnia, Montreal and other areas including Niagara Falls, after we have met our total demand. My only concern is that we do not export it before we meet the current and potential demand for this natural resource. No one in this party would object to the exportation of surplus gas on a short term contract basis, after we have provided for the expected build-up in industry in those areas of Canada which will be served by this cheap source of energy. It would not be fair to build up a huge industrial complex in Canada dependent upon Canadian gas and then cut off that supply.

This government does not plan anything. I have been informed that one senator made an arrangement with the Prime Minister and got it in writing. He then had it notarized to have some legal control over the promise of the head of this government. He must have done so for some good reason. We could not possibly allow this government to make a commitment to export a large part of the gas being carried to eastern Canada because we have no reason to expect that it would be sent back.

Once we turn on power for the United States we have a moral obligation to continue the supply. We were in this position in respect to hydro at a time when we were involved in a war. The need for hydro at that time was even greater, but we could not turn off the supply to the United States at Niagara Falls. The United States had built up industries on the basis of that power supply. They, in effect, took the attitude; to hell with Canada, they are only fighting a war. United States industries were more important, and we could not turn off that power to utilize it for our war effort.

Let me suggest to the members from western Canada that we do not have a difference of opinion with them in respect of the sale of gas. I did not squawk about the 200 million cubic feet of gas being exported from the Trans-Canada line, and this was three or four times the amount involved at this time. If this gas is surplus, it should be exported and sold. The western members have not made it plain that there are only certain fields which produce natural gas and that the remainder is a by-product. They have not told us that if the surplus is not sold it has to be burned. It would be stupid for us to burn a product that is saleable south of the border or elsewhere.