Trans-Canada Pipe Lines Limited

firms, also made three independent studies last year. One of its conclusions was:

It is believed that a natural gas pipe line to eastern Canada, originating in Alberta and with a designed capacity of 300 million cubic feet per day, would be so marginal as to be unlikely of private financing.

I have used these statements, not to condemn the idea of a great pipe line reaching from Alberta to eastern Canada but to emphasize the reasons for my belief that we must reappraise our national gas policy in the light of economic facts, and to try to work out a better method of achieving the great objectives of building up our proved oil and gas resources in western Canada, getting gas to as many Canadians as possible as fast as possible, and securing the long-term needs for Canada with the least possible burden upon the producers, consumers and taxpayers of Canada.

The Minister of Trade and Commerce (Mr. Howe) is a man of great talent, energy and bluntness. He has established a reputation for facing up to issues. I trust that he will, during this debate, face up in full to the facts regarding a Canadian gas policy. He did not face facts when he indicated to the press after the merger of the Trans-Canada and Western Pipe Lines companies that the line to eastern Canada had priority, that no gas would go to the United States until supply to our east was secured, and that gas would go to Minneapolis only on an interruptible basis. Surely he is fully aware of the various economic studies of the all-Canadian line to which I have referred. Surely also he knows that the tying in of Minneapolis improves the economics of an ultimate line to eastern Canada, and that the large financial investment required by the Minneapolis company in order to take Canadian gas dictates that it must be a firm, not an interruptible supply.

Surely the minister, unless he is prepared to considerably modify his gas policy, must have a different answer than a flat "no" to the three questions I asked him in the house on March 24. These questions were:

Has the government made any commitments, verbal or in writing, for the provision of tax concessions, tax remissions, or any other form of subsidy in order to make financially feasible a trans-Canada gas pipe line in the form apparently desired by this government? If so, what are those subsidies? If not, does the government intend to extend such subsidies?

I recognize that the minister has already made some modification of his all-Canadian stand of a year ago. He has supported, as I did, the import of American gas to Toronto—subject of course to a cut-off when Canadian gas eventually reaches the east. Aside from getting gas to Toronto at the very least two years earlier than gas from the west, the resultant build-up of the top-class, top-price consumer markets—that of household space heating, water heating and cooking—will also improve the economics of the eventual pipe line from western Canada.

I might add at this point that not all the governments in Canada's east look at the gas problem through rose-tinted glasses. The Ontario government has been making its own economic studies in recent months. It wants to have access in time to gas from western Canada to help meet the expanding fuel needs of Ontario. But here is what Mr. Dana Porter, Ontario's attorney general and chairman of its gas survey, said in the provincial parliament on March 20:

It is impossible to visualize gas coming from Alberta exceedingly cheap. If it can be sold at the equivalent price or slightly less than coal and oil now, and if it can be sold in large enough quantity, they might be able to pay for the pipe line.

Today, sir, there are four major suggestions on which, I believe, this government of Canada should clarify its position; steps that could be taken to establish a more economic national gas policy. The first of these is the building of a pipe line from Alberta to eastern Canada in two stages instead of one, with the first consisting of a 36-inch line to Winnipeg with a 24- or 30-inch connection to Minneapolis. Sufficient gas would be committed on a firm basis to ensure capture of this market, provide a faster outlet than eastern Canada for the west's growing surplus, a satisfactory price to producers, and improve the economics of stage two, a line from Winnipeg to eastern Canada.

Secondly, enlargement of gas imports from the United States into eastern Canada to the fullest extent possible on a reasonably short-term basis to supplement the current imports to southwest Ontario, the coming imports to Toronto, and thus permit a rapid extension of gas service to more communities in Ontario and Quebec. The market build-up achieved would further improve the economics of the ultimate system from western Canada. Between them Tennessee Transmission Company and Panhandle Eastern Pipe Lines, one of which will reach Canada at Niagara, while the other already enters Canada at Windsor, have a gas transporting capacity of over 80 billion cubic feet yearly, not now committed to their American customers. Within a few years the growing demand of American consumers along these pipe lines should absorb a large part of this capacity. Meantime, why not use that American capacity to build up gas markets in eastern Canada?

Third, a reappraisal of the proposed routes between Winnipeg and eastern Canada. The