asked by Mr. Smith with respect to an agreement with Consolidated Mining and Smelting Company and he said:

The figures given to us by officials from the Consolidated Mining and Smelting Company are to the effect that there will be three billion a year as a minimum and 5.3 billion a year that they say is possible depending, as I said yesterday, on some developments that are going on there now, whether they can use the gas satisfactorily.

The new development has been completed. The five billion would have been consumed. It seems to me that at a figure of 30 cents a thousand cubic feet it would run around $5,000 worth of gas a day, quite a considerable amount.

It was my contention and that of some of the other members on this side of the house that, inasmuch as the pipe line was going to serve a single market, the economic and the sensible thing to do would have been to build the line to the markets and at the least possible cost. During the committee it was shown and not disputed that the line through the southern part of the province would cost considerably less and owing to the fact that consumption would begin almost at the wellhead the actual cost of the transmission would be greatly reduced indeed.

It seemed that Westcoast Transmission were extremely anxious to obtain the franchise. They realized as did everyone else that on one line, and one line only, of those proportions could be built into this marketing area and that the market just did not warrant two lines at that time. Westcoast Transmission appeared before the Alberta petroleum and natural gas conservation board and was quoted to have said as follows and I am quoting again from the text referred to earlier at page 105. The witness was being questioned as to how the price would be related, whether the price would be consistent all along the line or whether a consumer at the far end of the line would have to pay more than would a consumer near the wellhead. Mr. Dixon stated that it was the policy of all pipe-line companies, and certainly had been the policy of the pipe-line companies in the United States, to consider the fact that the line was only made economically feasible because of the consumers along the line, that each one would pay an equal price.

Then the hon. member for Vancouver-Quadra asked a question as follows:

Q. I asked you that, Mr. Dixon, because in the reports of the evidence given before the Alberta Natural Gas and Petroleum Board—I am quoting from a dispatch of February 18, from Calgary, which reports this evidence having been given there in the hearings of the Westcoast Transmission Company:

"We plan to go through the Yellowknife pass; they say the total cost in Vancouver will be 29.2 per cent."

[Mr. Byrne.]

I suppose that is 29.2 cents. Then the witness replies:

A. Pardon me, that is not a correct statement. I was there and heard what was said.

Q. It says United States points will have to pay an additional 6.4 per cent—

I want the house to pay particular attention to this.

—per thousand feet bringing the cost there to 35.6 per cent, so apparently this other company is planning to charge a higher rate in the cities that are further away from the source of the gas.

It appears that the hon. member for Vancouver-Quadra was seeking to prove that the Alberta natural gas company, if it received a permit to build a portion of the line through the United States, could conceivably charge the people of Vancouver a higher rate than those consumers in the United States. He was attempting to prove this by questioning Mr. Dixon on the evidence Westcoast Transmission Company Limited had presented before the Alberta natural gas and petroleum board.

What was the inevitable result? It is my understanding, and I think my figures are correct, that the price at which gas now being delivered into the line, or will be delivered into the line to the United States companies, is considerably less than the price at which it will be delivered to distributors in Canada. These figures are taken from public documents tabled with the board of transport commissioners. The Westcoast Transmission Company has entered into an agreement with the Pacific Northwest Pipeline Corporation to provide 200 million cubic feet per day initially, increasing to 300 million cubic feet per day on January 1, 1959, with provision for a further increase by agreement of the parties to 400 million cubic feet per day. The price on a 90 per cent load factor basis is 22¼ cents per thousand cubic feet prior to January 1, 1959, and 22 cents thereafter; that is a reduction from 22¼ cents to 22 cents. This is the transmission company from the United States that initially opposed the application by Westcoast Transmission to export gas into the United States. The federal power commission of the United States refused to accept the importation of that gas until the price was brought down to that figure. Now, a line built by a more economic route could have undoubtedly met this price at a profit.

What is happening in the lower mainland and Vancouver? The British Columbia Electric will pay to the Westcoast Transmission an average of 30.7 cents per thousand cubic feet. The Inland Natural Gas, which intends to distribute the gas in the interior of British Columbia—I am hopeful they will be able to do so at an early date—will receive gas at a