

*Trans-Canada Pipe Lines***AFTER RECESS**

The house resumed at eight o'clock.

Mr. Smith (Calgary South): Mr. Speaker, in my remarks before the adjournment I endeavoured to trace some of the history of the gas industry and the implications of that history in relation to export. I said it was not my intention to try to separate the long-standing differences which will continue to exist between the principles of free enterprise and socialism. Then I discussed the need as I saw it as an individual for a royal commission which could produce desirable results from the standpoint of both the consumer and the producer.

Following that I placed myself on record as best I could in recognizing the need of the export of this surplus gas reserve of our country. You may recall that I said a conservative—and for the record I might point out that I mean conservative with a small “c”—estimate of our reserves of natural gas has been placed at approximately 24 trillion cubic feet. I then went on to say that the estimated domestic demand for the next 25 years is something in the neighbourhood of 17 trillion cubic feet and that the estimated natural annual increase in the commodity based purely on present indications as a result of exploration is in excess of 2 trillion cubic feet.

I am not a mathematician but from those figures it will be clearly understood that taking into consideration our reserves of natural gas and the anticipated demand which has been arrived at at a number of hearings concerning domestic consumption, and also taking into consideration all the proposed plans for export, it is estimated that we will have a surplus based on present exploration and present rate of growth of over 47 trillion cubic feet. Therefore, I think that any of us regardless of where we may sit in this house can reach the conclusion that we are indeed blessed by nature in having vast quantities of this valuable commodity surplus to the requirements of the country.

It would seem, then, that a commission on energy which I had hoped would be established as a result of the resolution calling for the setting up of a royal commission would be faced with the problem of finding the best policy to follow in the exploitation of this commodity to the advantage of both the consumer and the producer. It was really on that point that I concluded when I said it is apparent to me that the request for the establishment of a royal commission has been made in all seriousness and sincerity because of the existence of a problem which hitherto we have not had to face, and also in

recognition of the growing surplus of only one of Canada's many natural resources.

I am now going to go one step farther in stating that perhaps the first responsibility of this commission is to determine whether or not a delay in the development of this commodity would work to the detriment of the economy of Canada or, perhaps if we could forecast a conclusion which I assume would not be in order in this house, decide whether or not retaining the reserves of this commodity within Canada would be in the best interests of this nation.

As I said at the beginning the commission must face the question as to whether or not a delay in reaching a decision would in itself be desirable. In dealing with this question I do not intend to review it from the standpoint of the producer alone but I will also consider the position of the consumer in this regard. If I were a witness antagonistic as a consumer to the proposition of the export of natural gas I would say what is perhaps on the lips of every hon. member of this house that to export natural gas means to increase the price of that gas to the consumer. I do not intend to deny that fact, but having said that I would hasten to say that whether gas is used solely for the domestic market or exported the increase in demand will affect the cost of the gas to the consumer.

There is a serious dispute in my own city today as to whether or not gas prices in that city will be increased based on the export of this product. Those who must consider that problem will doubtless have to face the argument that whether or not it is used in the domestic or imported market, or whether it is kept in Canada or sold abroad, the cost of gas will be increased by general demand over the depressed price at which gas has sold during the past 20 years. I say that with the following in mind. When you look at those areas which have enjoyed the use of this resource for many years and obtained it when there was no other market for it due to the fact that there was no transmission system which could carry it from one place to another you will find that those communities had the privilege of enjoying the use of this excellent commodity at an extremely low rate. However, I am not going to limit myself purely to local areas of Canada.

Let us move on to a second question: what will the export of natural gas mean to the consumer? As I have said, when this royal commission sits they will first have to consider the problem of immediate concern as to whether or not to delay the use of that gas either on a domestic or import basis. Another consideration that will be placed