

Supply—Trade and Commerce

to ask your ruling whether it is in order now to discuss a problem which is presently under consideration by a royal commission, and to have an assurance that if this is in order other hon. members will have an opportunity along the same lines.

The Acting Chairman (Mr. Rea): I would ask the minister if this matter of exported gas comes under his department?

Mr. Churchill: The issuing of export licences for the export of gas does come under this department.

Mr. Benidickson: Also the Pipe Line Act.

Mr. Johnston (Bow River): On a point of order, Mr. Chairman, it does not make any difference whether this matter is being heard before a royal commission or not. We are not discussing the evidence placed before a royal commission. What we are discussing here is the over-all picture of trade between Canada and the United States, and if oil or natural gas happens to come into that, the question of a royal commission would not affect the issue; it must be perfectly in order.

Mr. Benidickson: We cannot find out yet when the royal commission is going to begin its sittings.

Mr. Olson: The point I am trying to bring out with regard to gas exports is that by reason of this royal commission being set up to look into this matter we are losing our markets. I should like to read a paragraph from another news report which also appeared in the Lethbridge *Herald* under the date November 25. This article is headed: "The Time for Gas Export is Now." It reads:

"Canadian operators," Mr. Loughney said—

Mr. Loughney is senior vice president of British American Oil Company Limited.

—"have gone through many years of developing gas reserves in order to keep alive. Just as the farmer must sell his grain, so must the oil producer sell his production, both oil and gas—it is as simple as that."

In order to make saleable gas from wet-gas fields and solution gas, multi-million-dollar plants were being constructed or planned, and they would produce tremendous volumes of sulphur, propane, butane, natural gasoline and condensate.

High octane gasoline, raw material for synthetic rubber, explosives, synthetic yarn, fertilizer, plastics and many other things could be manufactured in petro-chemical plants.

There was already in Edmonton the nucleus of a petro-chemical industry from natural gas and, as the result of gas, new industries had been announced or were being studied.

With regard to the depressed state of the crude oil industry in Alberta, by which I mean the state of markets for this oil, I should

like to read this extract taken from the *Montreal Gazette* of December 6, under a Calgary dateline:

K. E. Hill, vice-president of New York's Chase Manhattan Bank, said in an address to Calgary oilmen here:

Crude from western Canada cannot be laid down in Montreal at a price competitive with Venezuelan crude, he said. Canadian producers, he added, should look to the northern United States instead for new markets.

The banker said the depressed tanker rates, which are helping to restrict Canadian oil sales on both the Pacific and Atlantic seaboard will remain in effect for at least the next five years.

Mr. Chairman, I submit that if something does not happen soon to give some impetus to the gas and oil operations in western Canada to continue their development and their explorations for gas and oil we are going to find ourselves in a serious unemployment situation out there. We have a market for this gas in the United States, and we have the gas. The only stumbling block in the way is the federal government. The oil and gas industry is ready to develop. It is ready to build the pipe line, and ready to search for more gas. Prominent operators have indicated that the reserves of natural gas which have been found up to the present in Alberta are only a fraction of the total supply, that the surface has only been scratched. I think they have now reached the stage when they need some inducement to develop further.

In my opinion this royal commission is nothing more than a stumbling block in the way of that development. We have before us an application for a natural gas pipe line from Alberta to California and to many other large markets in the United States Pacific northwest but all of these opportunities apparently are going to have to be set aside while a royal commission makes its investigation. As a matter of fact, I am not quite sure what the commission is going to study but it is clear that until this government gives the green light to the export permits or at least indicates what it is going to do, the gas and oil industry of Alberta is certainly going to suffer.

Mr. Lavigne: Mr. Chairman, the reason I am taking part in this debate is because I am worried about the future of our textile industry. When I see the name of more than one of our own big textile producers going out on a buying mission abroad I feel I have good cause to concern myself with the results of this because it may have a very bad effect on many of our citizens.

I hope to make it clear that I do not wish to be too critical of this mission until we find out what they really have achieved. I believe that the obligation of the government to the people of Canada is not to sponsor buying