

the energy requirements of this country. Is that correct?

Mr. Kerr: It was by 1985, sir.

Senator McDonald: Where do you anticipate the growth will come to enable you to meet this target? Is there any given area of Canada that would make this possible, or will this come about by increased sales generally across the area you are serving now?

Mr. Kerr: It would be generally across Canada, east of Alberta. The bulk of the growth would be in Ontario and quite likely in the Province of Quebec. The general acceptance of natural gas for home heating is one significant example. The demand for home heating has grown very significantly in recent years, and we expect that to continue.

Senator McDonald: That is really answering my second question. Would it be in the industrial areas or in domestic home heating that you expect a large growth to occur?

Mr. Kerr: We expect all portions of our market will grow—commercial, residential, and industrial. It is difficult to predict at this stage, but I think the total effect of the growth in the industrial market would be rather significant on our total expansion.

Senator Molson: Mr. Chairman, may I ask Mr. Kerr what the present status of the Great Lakes Transmission line is?

Mr. Kerr: Yes, sir, it was approved, as you probably know, in the fall of 1966 by the Government of Canada. It was approved in June, 1967 by the Federal Power Commission. Construction started very shortly after F.P.C. approval, and construction is well under way. Since September 23 we have been bringing relatively small volumes of gas from a storage field in Michigan into the storage field in Dawn Township near Sarnia, which is a 20-mile haul.

Construction of Stage 1, which is from Farwell, Michigan—which is at about that point on the map (*indicating*)—to the border is well on the way, and will be completed very shortly. It will not be very long before it is tested and in operation.

Then, the construction of Stage 2 will be started this winter and will continue on through to the fall of 1968. That is from Emerson, Manitoba, on the Minnesota-Manitoba border, to connect up with the point at Farwell, Michigan. This includes the

Mackinac Strait crossing, which is a rather difficult engineering feat.

Senator Molson: It will be concluded when?

Mr. Kerr: The target is November, 1968. The U.S. opponents of Great Lakes have launched a court action to try to hold it up, but the interim financing is completed, and construction is under way, and all our plans are made.

Senator Molson: Will this require a Presidential permit?

Mr. Kerr: At the time the Federal Power Commission granted its approval in June of this year it did, yes.

The Acting Chairman: Mr. Kerr, can you estimate now how big an increase this new construction is going to develop in the area you now serve? What will be the percentage increase in sales?

Mr. Kerr: We have under contract at the present time sales that will give us a throughput of 725 billion cubic feet by 1972. That is a very conservative estimate of where we will go. Assuming that gas is available in western Canada, and I think it will be, sales five years from now could be substantially in excess of 725 bcf. As I mentioned earlier, in Canada, in 1966, it was 401.

Senator McDonald: Is the Great Lakes Gas Transmission Company wholly owned by Trans-Canada?

Mr. Kerr: No sir, it is 50 per cent owned. We own half and the American Natural Gas Company of Detroit owns half. The President and Executive Vice-President and General Manager, the two key executives in Great Lakes Gas Transmission Company, are former Trans-Canada people.

Senator McDonald: They are Canadian?

Mr. Kerr: Mr. McNeill is from Calgary.

The Acting Chairman: Mr. Kerr, at the outset you mentioned that the C.P.R. was one of the largest shareholders of the company. Do you mean C.P.R. or C.P.I., Canadian Pacific Investments?

Mr. Kerr: Canadian Pacific Investments.

The Acting Chairman: Are there any further questions of Mr. Kerr?