government and supported by the federal government, through which two competitors had to kiss and make up, quit fighting each other, and proceed as a team to get a pipe line built.

One partner in the merger was Western Pipe Lines, backed by western Canadian interests. Its plan was for a 30-inch pipe line from Alberta to Winnipeg, thence by 24-inch line to Minneapolis, where an established market waits. The plan, I may add, had more economic than political merit.

The other partner was the old Trans-Canada Pipe Lines Limited, backed by the Clint Murchison interests in Texas. Its plan was for a 30-inch pipe line from Alberta to eastern Canada, via an all-Canadian route, leaving out in the cold the United States mid-west market. The plan had more political than economic merit.

For several good reasons—some of which I have already hinted at, plus the vital fact that neither plan was big enough to take care of surplus gas being developed in the west—the two projects were merged into the new Trans-Canada company. At present the combined plan calls for a 36-inch pipe line from Alberta to Winnipeg, the largest diameter gas pipe line in the world and capable of ultimately carrying about twice as much gas as a 30-inch. From Winnipeg a 24-inch line would reach southward towards Minneapolis, and a 30-inch line would reach east into Ontario and Quebec.

While I have no information from the company to support the statement, I would suggest that by the time construction actually gets under way it may be deemed advisable to expand the diameter of the pipe lines south and east from Winnipeg, to facilitate expanded sales not only in eastern Canada but also in American markets both mid-west and eastern.

As presently contemplated, the transmission system would start in the eastern border of Alberta, and would cost about $297 million. This is far from being a measure, however, of the over-all cost. In addition, there would have to be, first, an investment, probably running to over $150 million, by oil companies in western Canada for the drilling of gas wells, the construction of processing facilities and field gathering lines. Second, an investment ultimately reaching over $40 million, in an Alberta-wide trunk pipe line system to carry the gas from the fields to the eastern border of that province, where Trans-Canada would receive it. This Alberta gathering system would be privately financed and controlled permanently in Alberta under the Alberta gas trunk pipe line company act recently passed by the legislature. The principal owners will be gas producers. The interests of Alberta gas consumers and utility companies, the export pipe lines and the Alberta public will be protected by representation on the board. I believe, sir, that the only government investment will be $10 by the Alberta government for two voting shares, to be used by the two nominees of that government to the board of that company. This gathering system will of course ultimately serve gas to Alberta utility companies and to other export companies, in addition to Trans-Canada.

Other than the export pipe line, the other major items of related investment would include, first, a transmission pipe line from the Manitoba border to Minneapolis, to be built by Northern Natural Gas Company, the twin cities utility, to connect up with Trans-Canada Pipe Lines at Emerson, Manitoba.

Second, the construction of new and the expansion of existing gas distribution systems in the cities and towns to be served by the transportation system. This would require at least $100 million during the first few years alone. Finally, a direct investment by home, commercial and industrial consumers in appliances and other equipment with which to use gas. This also would require at least $100 million during the first few years alone. All these items add up to the staggering total of some $750 million. When we add to that the same kind of costs related to other proposed gas projects, to the Canadian and United States Pacific coast, to the inland empire and Montana, the total stacks up to around $1,250 million required to be raised and spent over the next five to six years, if the projects now contemplated are to be achieved.

We all know that money does not grow on trees; nor can we get it by simply rolling out printing presses. To get the moneys required for the projected natural gas plans there must be incentive provided, either through the basic economic soundness of the phase of the project in which the producer, the transmission company, the distributor, the consumer or investors are asked to put their money, or by such degree of government subsidies as might be needed to produce sufficient incentive.

Obviously, Canada's interests can better be served by the basic economic soundness of great projects like these related to natural gas, rather than by a policy of subsidization. Therefore, sir, it seems to me essential that in considering this particular bill we reappraise Canada's gas policy in an effort to achieve a maximum degree of economic