

Inquiries of the Ministry

know, it has been anticipated for some time that Alberta would have a surplus of natural gas which could be made available to the eastern part of Canada. Three or four weeks ago Mr. Manning, accompanied by two members of his conservation board, called on the Prime Minister to say that the board had found that there is in fact an exportable surplus at present of three and a half trillion cubic feet of gas. It is anticipated by Mr. Manning that the surplus will grow at the rate of .75 trillion cubic feet per annum for the next five or ten years.

Mr. Adamson: Trillion?

Mr. Howe (Port Arthur): Trillion. Mr. Manning stated he had received two applications for export of the gas from the province and that the board feels that at the present time neither application satisfies its requirements. Mr. Manning suggested to this government that if the two applications could be combined into a single project the government of Alberta would be prepared to grant an export licence to the single applicant.

This government offered its good offices to that end. I had several interviews with the two groups who have been competing for some time in an effort to place themselves in a position to obtain the licence when it is issued. The two groups had been spending a good deal of money in building up two separate situations. They had been competing for sources of supply of natural gas. They had been competing for customers and competing generally as to their relative positions in the pipe line field. I was able to convince them that the project of bringing gas from Alberta to eastern Canada is sufficiently large to justify their merging their effort. I pointed out that the purpose must be not to combine two separate projects, but to build one project in which both proposals would merge.

After several days of discussion, in which this government was acting as an honest broker, just pointing out the weaknesses in the separate situations and the advantages of merging, the merger was effected. Agreement was reached in every point, so that today we have one organization formed for the purpose of building a natural gas pipe line from Alberta to serve the principal markets in Ontario and Quebec. The public electricity organizations in both Ontario and Quebec are showing a considerable interest in the future of natural gas. Consideration is being given by the Ontario hydroelectric commission and by the Quebec hydro, as well as by the Shawinigan company, to acting as distributors for the gas in their territories,

[Mr. Howe (Port Arthur).]

although at the moment nothing has been definitely decided on that feature of the project. I believe that outlines the position as we find it today.

Mr. Drew: I would ask the minister if this will require any new charter on behalf of the new company or any supplementary legislation to make it possible to carry this arrangement into effect.

Mr. Howe (Port Arthur): In speaking of the eastern provinces, I should have said that the pipe line would also serve Saskatchewan and Manitoba. I should not like them to feel left out. I am afraid I cannot answer the question asked by the Leader of the Opposition definitely. Certainly, there will have to be an amendment to one of the present charters. The company is adopting the name of Trans-Canada Pipe Lines, which is the name of one of the present charters. There will need to be amendments affecting the capitalization of the company, and it may in the end prove to be desirable to introduce a new bill of incorporation that will repeal the two existing franchises.

In either event, I sincerely hope hon. members will be disposed to give the necessary legislation priority in the house so that this great project need not be delayed. In the meantime, the merged companies are working under the franchise given Trans-Canada Pipe Lines Limited.

Mr. Drew: I can assure the minister that the reason for the question was that we might proceed as rapidly as possible to do anything that might be necessary to expedite this important venture. I would point out that we have already indicated our support of the general plan that is involved. Naturally, the sooner any information is before us that would be required for the purpose of subsequent action by parliament, the sooner we can proceed to deal with this question.

Mr. Howe (Port Arthur): I should like to add a word. I understand that the deadline for the introduction of private bills is next Monday. I expect that those interested will introduce legislation before that day. As to the nature of the legislation, I am not too sure.

Mr. Coldwell: May I ask a supplementary question? Has any consideration been given to making this project a publicly owned project, a joint project of the provinces concerned and the federal government?

Mr. Howe (Port Arthur): I presume that consideration has been given to it, but it seems to me that this is obviously a project