

*Alberta Natural Gas Company*

freight rates. Alberta is at the apex of the freight rates structure. These comparative high freight rates have always been a deterrent to the development of Alberta. Now, by a turn of good fortune, great natural resources have been discovered, the great natural resources of gas and oil, and they are now being developed. These resources are being developed by private enterprise. Many local and foreign companies are now engaged in the fascinating search for oil. A potential billion barrels of oil have now been proven and at the present rate of exploration it is expected that by 1951 two billion barrels of potential oil production will have been proven. That is enough to serve Canada's needs for the next twenty years. Potential gas reserves are now measured not by millions but by trillions of cubic feet.

Alberta, and especially Edmonton, is the most talked of district on the continent. These great resources of oil and gas have been placed there by Providence, and the people of Alberta cannot take any special credit for them. Indeed it is fortunate that we have a measure of control over these resources.

The province of Alberta also has about one-twentieth of the world's known coal reserves. These coal reserves are as yet only partially developed. My information, however, is that 10,000 people in Alberta depend directly on the coal industry for their livelihood. This coal is marketed largely outside our province. When the Alberta government is considering the granting of permits for the export of gas, I hope that they carefully consider the effect of the export of this gas on our markets for Alberta coal.

The people of the lower mainland of British Columbia are extremely anxious to get Alberta gas. Pipe lines to convey that gas to the Pacific coast and elsewhere will cost hundreds of millions of dollars. It is my opinion that governments and industry should carefully consider the advisability of establishing industries in Alberta at the source of the cheap power rather than spending millions of dollars on expensive pipe lines to serve industries in other parts of Canada and the United States.

Especially with the constant threat of a third world war, both this country and the United States should plan to disperse heavy industry so that our continent cannot be knocked out by a surprise attack on the heavily concentrated industrial areas of the east and west.

If we can believe press reports, Russia long ago recognized the value of this strategy and began to establish industries deep in the interior—away from the reach of potential

invaders. Our own country and the United States, in my opinion, would be well advised to do the same.

Where in Canada have we a better place to establish branch factories and new industries than in Alberta? That province is protected on the west by the Rocky mountains and on the north by strong United States defences and the wastes of the Arctic. However, despite the fact that Alberta has been fortunate enough to fall heir to a measure of control over these great resources, we must share these resources with the rest of Canada, and with the United States, with our Canadian neighbours first, and secondly with our United States neighbours, and only after Alberta's needs and Canadian needs are adequately protected.

During the past week a committee of this house heard evidence from experts representing companies desiring charters to construct pipe lines for Alberta gas to our own Pacific coast and to the United States northwest. The people of Vancouver and the lower mainland are exceedingly anxious to be served by these pipe lines, before any surplus is exported to the United States. I think that we are all agreed that this is highly desirable. The company which has already received the charter has explored different routes and has now unofficially stated that they favour the building of a pipe line through the Yellowhead pass to the Pacific coast, with extensions to the United States northwest and to the south. Other companies, who are seeking charters, have indicated several proposed routes mostly in United States territory, with one proposed Canadian route, which parallels the international boundary line. Neither of the new companies now seeking a charter has yet made a survey of the Yellowhead pass, but both companies have indicated that they will do so before applying for licence from the Alberta government and the board of transport commissioners.

Evidence given would indicate that the United States routes for the pipe line are somewhat cheaper to construct but by following those routes United States cities will be served by the pipe line first with Vancouver and the lower mainland on the end of the line. From the evidence presented, the Yellowhead route is approximately the same length from the gas fields of the Edmonton district to Vancouver, as the alternate route in the south of the province is from the southern fields of Alberta. The Yellowhead route has many advantages over the southern route. Some of the advantages of this pass are that it is well within Canadian territory and there would be no international complications until the needs of our Canadian Pacific