

Northern Ontario Pipe Line Corporation

to the appropriate house committee and also to the hon. members who raised the question.

These documents establish, first, that the pipe-line company of which I am a director is a small oil pipe-line firm serving one field in central Alberta; second, that only five of the companies have any natural gas reserves and, third, that at present none of these has entered into any gas sales contract with Trans-Canada, and only one of them is even negotiating a contract for gas sales. That one is Bailey-Selburn Oil and Gas Limited. It is also established from these documents that my personal equities in natural gas reserves, through shareholdings in these companies, total only 324,458 MCF. These include, through Bailey-Selburn, 220,758 MCF. I shall not detail these by companies other than that one.

Depending on their quality, location, marketability and other factors, the present worth of gas reserves in western Canada is appraised by the engineers and economists of the industry at from 1 cent to 3 cents per MCF. The only reserves in which I have an equity that might soon be marketable—part of those of Bailey-Selburn—are appraised by that company at a present worth of 2½ cents per MCF. Applying this value to all my share of reserves, including those not marketable, establishes a maximum present worth of all my personal natural gas equity of some \$8,125.

Considering that these gas reserves, even after they commence going to market, will require more than a quarter of a century to actually produce; and considering also that there would be no cash return to me except when and if dividends were paid to shareholders from gas income, it is quite obvious that any personal financial gain from gas export would be at a very small and slow rate. If I were to retain such income for personal use it would do little more than keep me in cigarettes.

Actually less than one-third of the gas reserves in which I have an equity are even under negotiation for a sales contract. The document from Bailey-Selburn shows that that portion of the company's reserves located in the Bindloss field will likely be marketed through Trans-Canada under a contract now being negotiated. My equity in those particular reserves, through shares in Bailey-Selburn, amounts to 91,500 MCF, with a present worth of \$2,286.75.

At the delivery rate scheduled, these reserves will be marketed over a period exceeding 25 years. My equity in the projected daily sales amounts to less than 10 MCF. Reduced to present worth of 2½ cents per MCF, this planned gas sale could be worth all of 24½

cents per day to me, if the income is actually paid out in dividends. And that figure is before personal income taxes. The sum is somewhat inadequate to affect my policies and votes in the House of Commons, even if I were inclined to let such personal interest affect my views.

To get back to the statement in the house by the hon. member for Winnipeg North Centre, as reported at page 4241 of *Hansard*, he used these words:

. . . Bailey-Selburn Oil and Gas Limited has increased its proven gas reserves by about 31.4 trillion cubic feet under the acquisition of all the shares of Selbay Exploration Limited.

While presumably a quote from a magazine of which I am an editor, the statement was a misquote. The hon. member was exactly one thousand times too generous in his measure of these reserves in which he presumed me to have a large interest. The reserve was 31.4 billion, not trillion; and my personal equity in it—less than one-quarter of 1 per cent—is included in the figures I listed a few moments ago.

The key statement in the house by the hon. member for Winnipeg North Centre was this:

It is my contention, Mr. Speaker, that the contract which this company—

Bailey-Selburn.

—of which my hon. friend is a director, now has with Trans-Canada Pipe Lines Limited is, prior to the passing of this bill, just a piece of paper. When this bill is passed and Trans-Canada Pipe Lines Limited is put in a position to commence operations, that piece of paper becomes a document worth a great deal in terms of dollars; and it is because of that direct pecuniary interest that it seems to me the vote of the hon. member for Calgary South should be challenged.

I challenge the accuracy of his statement, first because it implies that I personally stand to gain a great deal in terms of dollars, whereas in fact the potential gain to me might be some two-bits a day, if Bailey-Selburn should distribute all its gas income to shareholders; and second, I challenge it because in fact no contract had by that date, or has to date, been entered into between Bailey-Selburn and Trans-Canada.

There is an important fact that should be borne in mind. An agency of government—the petroleum and natural gas conservation board of Alberta—determines from what fields and in what volumes natural gas may be marketed. The prerogatives of directors of companies owning gas reserves, of which I am one, are limited to accepting or rejecting sale of their company's gas through the designated agency—in this case Trans-Canada—if their reserves happen to be in fields designated by the conservation board for export.

Under the terms of the permit issued by the Alberta conservation board to Trans-Canada,