

*Trans-Canada Pipe Lines Limited*

in capitalization is designed, first of all, to enlarge the structure of Trans-Canada Pipe Lines Limited in order that it may take over the project of Western Pipe Lines, as well as to finance and to build a pipe line from Niagara to Toronto pursuant to the agreement recently concluded. Of course copies of this agreement will be available to members of the committee.

I think all hon. members are aware of the amalgamation that took place between Western Pipe Lines and Trans-Canada Pipe Lines early this year under the guidance and supervision of the Minister of Trade and Commerce (Mr. Howe). Both these companies are now equal partners in Trans-Canada Pipe Lines Limited, with Western Pipe Lines as a wholly owned subsidiary. The combined group are dedicated to the building of the all-Canadian line first.

I understand there is an application to the conservation board in Alberta which is now being heard and considered by that body, and an early export licence from Alberta is anticipated. As soon as that is received, Trans-Canada Pipe Lines will proceed to the board of transport commissioners with an application to construct the line. When that permission has been granted the company will then be in a position to enter into firm contracts for the sale of gas to the utility companies or boards in the towns and cities along the route. At the same time the company will negotiate contracts for the purchase of gas from the producers in Alberta and Saskatchewan. Then the company will be in a position to arrange financing, both equity financing and bond borrowing, and commence construction.

It is significant to note that parallel developments will take place, not only in the producing areas of Alberta and Saskatchewan but also in the eastern towns and cities where the gas is going to be marketed. In the producing areas gathering systems must be constructed. Production wells must be drilled in proven fields that now have only two or three wells. Treatment plants must be built in wet gas fields to recover the sulphur, distillate, propane and other by-products of gas production. At the same time, in the many towns and cities across Canada gas utilities must be organized or expanded to distribute the gas to the householders and industries in their areas. All told, this parallel development it is estimated will be more than twice the cost of the main transmission line.

The all-Canadian line is to be organized, financed and built independently of any probable subsequent export of surplus gas

to the United States. Ample reserves of gas exist in Alberta and Saskatchewan today, I am informed, to take care of the needs of those two provinces as well as the needs of the trans-Canada pipe line for many years to come—more than enough to amortize the investment required. Every week brings news of additional discoveries.

I am sure the house will be pleased to hear that the apparent conflict between the trans-Canada project and the proposal to bring gas from Louisiana to Toronto has now been resolved. Under an agreement concluded last week, the line from Niagara to Toronto will be built by the Trans-Canada company and leased to the Niagara Gas Transmission Company, until the Trans-Canada line is built to Toronto. At the same time Consumers Gas will cease taking American gas and will take Trans-Canada gas. In this way the immediate needs of Toronto will be taken care of, and the market will be built up in preparation for the Alberta gas in two or three years' time. Of course company witnesses and copies of the agreement will be available before the committee, and we can go into detail at that time.

In conclusion I should like to say that the proposed pipe line from Alberta to the province of Quebec is another link in the binding together of this great nation of ours, Canada. The transcontinental railway was the first. No great development, least of all one of national importance, is achieved without the expenditure of tremendous effort. When the Trans-Canada pipe line is built and serving with fuel and energy more than 2,200 miles of agricultural, mining and industrial backbone of this rapidly developing nation, I think hon. members will have reason to feel proud of this achievement.

**Mr. Carl O. Nickle (Calgary South):** Mr. Speaker, may I begin by saying that my colleagues and I support this bill which, as you know, is designed to revamp the capital structure of Trans-Canada Pipe Lines better to meet the need in carrying out a major, gas pipe line construction reaching eastward from Alberta. The company is the chosen instrument of the Alberta and Canadian governments to carry out the proposed pipe line project. It is of the private enterprise variety of chosen instrument—another reason we support it, for we do not think pipe lining is any business for the government to get into.

The new Trans-Canada company is a merger of the two former major competitors for the right to build a pipe line east from Alberta. In fact, you might call it a shotgun wedding, demanded by the Alberta