

soon as possible with a natural gas pipeline from the Alaska, Prudhoe Bay area, through the Mackenzie River delta to Edmonton having due regard to environment considerations and native rights, and would seek a reciprocal agreement with the United States for the continuity of supply for both countries. Surely this is a wise proposal.

The majority of our pipelines supplying crude oil pass over United States soil. We have the Portland pipeline from Portland, Maine, to Montreal which supplies something like 500,000 barrels a day. We have the Interprovincial pipeline from Manitoba to Sarnia which carries large volumes for the Ontario market, and we also have pipelines on the west coast. Surely we should make arrangements to build a pipeline from the Mackenzie River delta to Edmonton to carry natural gas. But if the United States decides to transship its gas in a liquified form, it is questionable whether we will have large enough volumes to justify the establishment of such a pipeline, at least for many years.

On the other hand, if a common carrier pipeline were developed which would carry United States and Canadian natural gas, the reserves in the Mackenzie River delta would be available to southern Canada. While I think the reciprocal agreement to ensure continuity of supply, proposed by the Prime Minister, is wise, in the long-run we should be looking toward the building of a maximum amount of the pipeline on Canadian soil using the Sault Ste. Marie route, thus having the greater percentage of our oil travelling over Canadian soil.

Another advantage to having the pipeline from Sault Ste. Marie to Montreal is that the long-term transmission costs of pumping would be greatly reduced because the line would be 200 miles shorter. In addition, the construction time would be shortened. Most of the territory of Northern Ontario is rural, and the difficulty of obtaining right of way would be considerably reduced. Much of this area is Crown land, and the acquisition costs are less in rural areas than in urban centres. The urgency of constructing the pipeline, and the fact that it can be built more rapidly through this area of northern Ontario, are obvious and decisive factors.

It is my understanding that the proposed pipeline would be of the 30-inch size and would have an initial capacity of some 300,000 to 400,000 barrels a day. It could be expanded by adding additional pumping stations, perhaps increasing the number from five to ten at some later date. This would provide the possibility of supplying the Montreal market via a Canadian pipeline. I understand the market in Montreal is in the nature of 500,000 to 600,000 barrels a day. This is a mammoth project amounting to an expenditure in the neighbourhood of \$150 million. To put it in perspective, this is somewhat less than one-third the cost of constructing the St. Lawrence Seaway—and prices have gone up since that construction.

The advantages to the area in which the pipeline would be located are mainly related to the number of jobs created during the construction phase. From this point of view it would be most welcome in northern Ontario, where we have areas of high unemployment, especially in the northshore area of the Algoma constituency. But there may be other long-term advantages such as the possibility of a refinery to serve northeastern Ontario. It has been pro-

Energy Supplies Emergency Act

posed at various times that a refinery should be constructed in the Algoma or northshore area. The location of a pipeline through this area would make this possibility even greater.

Since 1969 the federal government has been trying to diversify the economy of northern Ontario with incentive grants for regional development. The availability of an oil pipeline offers the possibility at some future time of a petro-chemical industry being established in the area, such as we now have at Sarnia—where the main Interprovincial oil pipeline terminates. If this were to occur, the location of a crude oil pipeline through northern Ontario would be one of the most important instruments of regional development that the federal government could provide. The area has many natural assets to lend itself to the development of secondary manufacturing and processing industries or the petrochemical industry, such as the availability of several locations for deep water ports along the north shore of Lake Huron.

If a refinery capacity were to be located in this area of northern Ontario, it would eliminate some of the expensive back-haul costs which now exist in bringing back refined products from the Sarnia and Toronto areas to points in northern Ontario such as Sault Ste. Marie, Thunder Bay and Sudbury. For many years the people of these areas have paid higher prices for petroleum products than those paid in southern Ontario. Perhaps the availability of a refinery capacity in northern Ontario would eliminate some of the transportation costs from the refineries located in southern Ontario.

It is my understanding that the major oil companies are now moving to establish a refined products terminal at Superior, Wisconsin, which is designed to provide the upper Great Lakes region with refined petroleum products. It would be nice to see some of the refined products for northern Ontario made in northern Ontario. If the pipeline is to be located through northern Ontario, this becomes a distinct possibility. I think the government should give serious consideration to having this pipeline located in northern Ontario. This would provide a shortened distance for transmitting oil and would reduce further the transportation costs in respect of moving crude oil to Montreal. Also, there would be a shortened time in respect of the construction of the pipeline if it were to be located there. There is, in addition, the possibility of lower prices of petroleum products in northern Ontario and some future diversification of the economy in this region.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 60(1), I should like to lay on the table of the House notice of a ways and means motion.

The Acting Speaker (Mr. Laniel): The Standing Order provides for this procedure. Is it agreed?

Some hon. Members: Agreed.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I do not have much time before six o'clock, but perhaps I could take a moment or two to say, in rising to speak on Bill C-236, that I am very conscious of the fact that coming from eastern Canada I do not have the degree of expertise of some of my western colleagues. I think this House of