

*Appropriation Act No. 8*

building the line as soon as they are convinced that those facilities are required.

I think some of the statements that the hon. member for Timiskaming made do not support his argument. He said that the surplus capacity of the present pipe line is not sufficient to supply some towns and industries, and he quoted some mayors and local councillors in the area. That is all the more reason we should get on with the building of the Great Lakes System as quickly as possible, so that the amount of gas which is now going around the north shore of lake Superior into Toronto and the industrial area is released for use in northern Ontario.

There is another point which I should like to make. It seems to me that it is not in keeping with the interests of the whole of Canada to advocate in the house the construction of certain uneconomic facilities in a certain area simply because that would give the area an unnatural economic advantage. I say that because, while it is physically possible to build another 30 or 36 inch pipe line around the north shore of lake Superior and refrain from building it around the south shore of the lake, that would increase the cost of transportation of gas from western Canada to Toronto, Montreal and the whole of this area.

Furthermore, the failure to build a line south of the lake will deprive producers of gas in Alberta—and therefore the people of Alberta who own gas in that province—of, this market for their utility. I think that first of all we should look after Canada's needs, and this has been done. Second, we should ensure that producers of gas, just as producers of steel or lumber, are given an opportunity to exploit any possible markets that may be available to them. The argument which has been advanced that under this agreement the main pipe line will be transferred from the northern to the southern loop is completely ridiculous. If one were to follow that argument through, a 24 or 28 inch line could be built south of the border to re-enter Canada at Sarnia, while another 24 inch line would be built alongside it to supply the available markets in the United States. This would not make much sense because all the requirements could be supplied through one 36 inch line. The volume of gas for Canadian consumption going through the southern line will be smaller than the volume of gas going through the 30 inch line around the north shore of lake Superior. This has been clearly stated by Trans-Canada Pipe Lines, by the National Energy Board and also by the minister.

It has been clearly agreed that the main line carrying the greatest volume of gas will go through Canada, and this agreement will be respected and maintained. The members from northern Ontario know perfectly well that a 36 inch line carries far more gas than two 18 inch lines. In fact, it carries more gas than two 24 inch lines, but it is much more expensive to construct two lines of smaller diameter to carry the same amount of gas as a 36 inch line. This is a simple economic fact.

• (4:10 p.m.)

I am making this point in order that the remarks of the hon. members from Ontario will not be left unanswered. We want northern Ontario to have all the gas they can possibly use now and as far into the future as they can project their requirements. I can assure them that those requirements will be met from the reserves that are already available in Alberta. At the same time, I think we have the right to use other markets for additional sales of gas which would not be available if a pipe line were built around the north end of lake Superior.

You cannot ship gas to Chicago around the north side of lake Superior. Neither can you ship gas to Cleveland or Detroit and into the whole distribution system via the northern route. If we follow that argument to its logical conclusion, this is what they are asking us to do. The line at Emerson has sufficient carrier capacity to supply the additional 100 million cubic feet which is requested, and this could go into the area around the great lakes. There is also an expanding requirement for gas in the area immediately adjacent to the line which enters the United States at Emerson, Manitoba. In all matters dealing with the transmission of power and gas or any of these other fuel requirements, it is only prudent to have sufficient overcapacity of delivery facilities to take care of expected expansion in the required volume for at least a few years into the future.

We in Alberta at the present time do not have the economic impetus to encourage the exploration and development of additional gas fields. We have the right to this in the economic climate of today. We would not deny Canadians anywhere anything if we got into these markets. As has already been pointed out, we have enough gas reserves to last us for 30 years. There are the oil rigs, the crews and all the other requirements necessary to carry out more exploration and development. There is now sufficient gas to supply all of the