

Northern Ontario Pipe Line Corporation

for a minister who is not responsible for the resolution to be reading his speech?

The Deputy Chairman: I think perhaps I might just answer that question by pointing out that even a minister is a member of the House of Commons and is treated in the same way as is any other member. The same point was raised earlier.

Mr. Prudham: Mr. Chairman, I have been quoting from *Hansard*. To repeat the last sentence of that quotation from *Hansard*:

Mr. Manning suggested to this government that if the two applications could be combined into a single project the government of Alberta would be prepared to grant an export licence to the single applicant.

This initiated the merger of the two companies I have mentioned.

Mr. Chairman, there has been a great deal of talk about a so-called "chosen instrument", and to the effect that the Trans-Canada company is the chosen instrument of this government. I should just like to say that the record proves that Trans-Canada Pipe Lines Limited, as it has existed since that amalgamation, is the chosen instrument of the Alberta government. It holds the only permit from the province to export gas from southern Alberta and that right to export surplus gas from southern Alberta is exclusive.

The reserves in western Canada have been increasing at the rate of two to three trillion cubic feet of gas per year. The hon. member for Calgary South places the figure at four trillion cubic feet. Hon. members might be interested to know that the total production of gas in Alberta, including wastage, since 1901 amounts to 2½ trillion cubic feet. Of this amount about half has been wasted. Only about half of that gas, since it was first discovered, has been used. Since the discovery of oil and gas in the Leduc field in 1947, the amount of gas burned to waste in the production of oil has amounted to 158 billion cubic feet. In order to indicate at what an alarming rate this wastage is increasing, may I point out that in 1953 this wastage was over 17 billion cubic feet and that in 1955, just two years later, it was over 37 billion cubic feet. That is an increase of 20 billion cubic feet in two years. These figures indicate how important it is to find a market for this gas in order to prevent this wastage.

An immediate market for surplus Alberta gas is extremely urgent, first, to prevent wastage; secondly, to release the large amounts of capital which are at present tied up in unproductive wells; and thirdly, as an incentive to exploration.

This government has never deviated from that policy. In 1951, shortly after I became Minister of Mines and Technical Surveys, an American company known as the Murchison group came to Ottawa to consult with the geologists of our department about the gas reserves in the western provinces and indicated their interest in building an all-Canadian gas pipe line. The information of our department was made available to them and it was suggested that, in order to speed up the establishment of reserves, they should enter into the exploration field in Alberta. They subsequently incorporated a company known as Canadian Delhi Oils Limited, which company became actively engaged in the exploration for gas in Alberta and with considerable success. I am somewhat at a loss to know why the hon. member for Calgary South this afternoon ridiculed that company. I know that in any approach they made to our department they never suggested anything but building an all-Canadian pipe line and they said it was entirely feasible.

On February 26, 1951, that particular group applied to the House of Commons for a charter. The bill was a private bill No. 75 introduced by the hon. member for Vegreville. It was a bill to incorporate Trans-Canada Pipe Lines Limited. During that debate and subsequent ones an all-Canadian route won general support from members of all parties in this house. About that time another company was incorporated known as Western Pipe Lines Limited, whose stated objective was to export gas to the United States. This company was not interested in the central Canadian market.

On January 12, 1954, in response to a question from the Leader of the Opposition the Minister of Trade and Commerce made a statement which I shall quote in part. It is recorded at pages 1017 and 1018 of *Hansard*:

. . . it has been anticipated for some time that Alberta would have a surplus of natural gas which could be made available to the eastern part of Canada. Three or four weeks ago Mr. Manning, accompanied by two members of his conservation board, called on the Prime Minister to say that the board had found that there is in fact an exportable surplus at present of three and a half trillion cubic feet of gas. It is anticipated by Mr. Manning that the surplus will grow at the rate of .75 trillion cubic feet per annum for the next five or ten years . . . Mr. Manning stated he had received two applications for export of the gas from the province and that the board feels that at the present time neither application satisfies its requirements. Mr. Manning suggested to this government that if the two applications could be combined into a single project the government of Alberta would be prepared to grant an export licence to the single applicant.

Mr. Regier: I rise on a point of order, Mr. Chairman. Is it within the rules of the house