

*Mid-Continent Pipelines Limited*

10,000, owing to restricted supplies, have been unable to avail themselves of the equipment they possess.

With that experience so fresh in their minds, with that experience still a very unfortunate reality in southwestern Ontario, it is not likely that the people of that area, or the people of Ontario or Quebec who know what happened there, would be too greatly assured if a pipe line went south of the lakes and carried gas from Alberta into the Panhandle grid.

Arguments have been made that it is not economically sound to construct a pipe line through northern Ontario to Quebec and southern Ontario. I disagree with that most vigorously. Granted that there may be valid arguments about the lower cost of delivery by the southern route, it is important to remember that it is not a lower cost on a temporary basis which the people want. They want an assured and continued supply at prices they are prepared to pay, and prices which are attractive to them.

Even assuming, for the sake of argument, that the price might be less by carrying the gas by the southern route, the fact remains that gas can be sold in Ontario and Quebec at prices that are lower, having regard to the B.T.U.'s of the gas, than the commercial gas now being used in those areas. In fact it is estimated that with the cost of carrying it over the northern route the actual cost of heating units would be about 50 per cent of the price they are paying in Ontario and Quebec for manufactured gas. Let us not be carried away with any thought that there is no large demand for natural gas in Ontario and Quebec. In northern Ontario, in that area between the Manitoba boundary and North Bay, there is a potential demand for 15 billion cubic feet per annum for existing industries which could be served by such a pipe line. This estimate does not contemplate the expansion of heavy industry that would result from the use of this very important fuel, nor the ancillary industries that would be increasing the demand in that great area.

Then may I put forward the estimated potential demand in other areas. It is as follows: central Ontario, 30 billion cubic feet per annum; southwestern Ontario, 15 billion cubic feet; eastern Ontario, 10 billion cubic feet; the province of Quebec, including the mining areas, Montreal, Three Rivers, 30 billion cubic feet. Those are the potential demands, and on top of that is the demand that would come with the new markets created by expanding industry, and also the advantages that would come from the unique storage facilities available in southwestern Ontario.

[Mr. Drew.]

This last point is of very considerable importance. The storage capacity amounting to 60 billion cubic feet consists of wells which have been used and exhausted over the last hundred years. The gas now stored in those wells could be sold, and gas pumped into them from the pipe line carrying the natural gas from Alberta. This would make it possible to absorb a constant flow of natural gas from Alberta throughout the whole year.

The suggestion is made that it would be necessary to subsidize the delivery of natural gas in eastern Canada. I do not question the earnest attention which has been devoted to the facts by anyone who is putting forward any of those arguments, but I do not agree with them. Assurance has been given in this case, and in the case of a bill which has become law incorporating another pipeline company, that these companies could finance these pipe lines and deliver the gas without any special financial assistance of that kind. Such evidence as I have been able to examine convinces me that the price at which natural gas would be delivered in Ontario and Quebec would be economically attractive in view of the present costs of manufactured gas and the uncertainty of the natural gas supply in that part of Ontario now equipped to use it. As I have mentioned, there are 10,000 people who were consuming it and who now cannot use the equipment they possess.

I believe that this plan for an all-Canadian route is of great advantage to Alberta, as it is to the rest of Canada. I believe this storage capacity is of advantage to Alberta because of the even flow that would result. May I point out also that the very existence of that storage capacity is a warning as well. There were people who thought these wells were inexhaustible. We have that storage capacity, 60 billion cubic feet, because those wells were not inexhaustible; because those wells have been used, and because the best purpose to which they can now be put is to hold gas coming from some place else.

**Mr. McCann:** Has that ever been tried in any other country?

**Mr. Drew:** It is being done day by day right now. Gas is being stored in these wells at this very moment. They actually are using that 60 billion cubic feet capacity. Today we are buying many things from the United States which are manufactured there and which we could manufacture in this country if our industry had natural gas. It is not just because of the B.T.U. content; it is not just because of the cost of natural gas, but because there are certain advantages in the use of natural gas, because of its quality