

*Boundary Pipeline Corporation*

At the rate we are developing industrially both in Quebec and Ontario we need a great deal of natural gas, and we want an assured supply. We have one company incorporated, Trans-Canada, which proposes to deliver gas in Ontario and Quebec by means of a 30-inch pipe; but I am afraid a pipe line even of that size will be sufficient to look after only a portion of the future needs of these two provinces. We also have Interprovincial, which goes from Alberta to Superior, Wisconsin; the same can be said about it. I believe every hon. member feels the time will come before too long when we in Ontario and Quebec will require a great deal more than is now coming through the Interprovincial pipe line. I believe we all share the feeling that Canada has a wonderful future ahead during the next few years. With that in mind we must realize that if this company is incorporated to build this little 16-inch pipe line and obtains permission from Alberta to transport gas to Winnipeg, in the long run that will probably prevent Ontario and Quebec getting a pipe line which will service us with that most important product. No doubt these people hope to go south with their gas; but I believe it is in the interests of the province of Alberta that we get gas from that province as cheaply as possible, and get as much as we can. With such a small pipe line, however, no area in Saskatchewan or Manitoba, let alone the eastern provinces, will be able to get gas economically.

We in southern Ontario are interested in getting gas; and if we cannot get it from Alberta or the other western provinces, where I am sure they are going to have great developments, of course we will have to resort to United States gas. The other night I said, and I am going to repeat, that I think there should be a reciprocal arrangement between the two governments at the highest level, so we could obtain from the United States as much gas as we ship there. I said the other evening that we are now shipping to a defence area in Montana some 10 billion cubic feet of gas per year; and when the pipe line goes through to the west that will be greatly increased. We must remember that the United States has always considered its own interests first. That is only natural; but we as Canadians must also consider our own interests. If the United States is not prepared to enter into some fair reciprocal arrangement with respect to both oil and gas, then I believe Ontario and Quebec would be quite prepared to take gas from Alberta or Saskatchewan or Manitoba even at a higher cost, because I believe the natural resources of our country should be developed for the use of Canadians. Perhaps

[Mr. Murphy.]

only in that way can we make those on the other side of the line understand that we have sufficient resources to take care of our own requirements. However, we would prefer a reciprocal arrangement under which in certain areas we could obtain the cheaper United States gas, while in other areas the United States would take gas from us. I believe we are entitled to as much gas from the United States as we ship to that country.

I am just going to sum up what I have said in three or four paragraphs. This proposition falls far short of meeting Canada's best interests for the following reasons. First, it would open only a limited market for the rapidly growing gas reserves of western Canada. It would not open a market of sufficient volume to allow the great Pincher Creek field and the allied petro-chemical industries to develop on an economic basis. Such small scale eastward export from Alberta would not meet the increasingly urgent need for markets for Pincher Creek and the long list of other gas fields in southern and central Alberta. I might comment there that we hope and expect the opening up of Pincher Creek will bring about the development in that area of great chemical industries, even if they do compete with those in the city of Sarnia.

Second, acceptance of the Boundary transmission project would penalize the consumers of Saskatchewan and Manitoba. A small scale line such as proposed by Boundary would have to sell gas in these prairie provinces at substantially higher prices than would a major project, such as that proposed by Trans-Canada Pipe Lines or Western Pipe Lines Limited.

Third, acceptance of the Boundary project could delay, perhaps for years, the securing of gas in large volume for Ontario and Quebec, either by direct pipe line from western Canada or by gas exchange with the United States.

Fourth, the Boundary project, on the basis of such evidence as was submitted to the railways and canals committee, would not be economic. In other words it could not serve a large enough market or deliver gas at a price low enough to compete with other fuels, and obtain adequate revenue to cover its cost if it stops at Winnipeg.

Canadian-Montana Pipe Line Company, at the request of the United States defence authorities and with the approval of the Alberta and Canadian governments, recently commenced export of 10 billion cubic feet per year of Alberta gas to the Anaconda Copper Company in central Montana. This export is under a five year agreement calling for total delivery of 50 billion cubic