

Boundary Pipeline Corporation

member for Calgary West and the witness from the Fish Engineering Corporation should get into a private discussion that eventually bored the rest of the members of the committee. I think the discussion became too technical for most hon. members, and eventually the hon. member for Iles-de-la-Madeleine suggested that enough evidence had been produced and that we should not have any more witnesses. As a result the committee then finished its work very promptly.

As hon. members know, this is only the first in a series of steps that may take years in order to obtain the right to transport gas from the province of Alberta. It might be worth while to draw attention to the peculiar fact that the principal resources of this country apart from wheat—and I suppose you might even say it of wheat—are located at considerable distances from the markets they are supposed to serve. Wheat has to be brought long distances to get to the best markets. The iron ore mines of Newfoundland and the new iron ore mines in the Ungava on the Quebec-Labrador boundary are both long distances from the markets where the product sells best. For many years Newfoundland sold its ore in Germany, Rotterdam and the United States, its nearest market being in the province of Nova Scotia.

Similarly, the coal fields of Nova Scotia and Alberta are long distances from the markets. Although the province of Alberta is certainly blessed by its discoveries of oil and gas the province is sparsely populated and the neighbouring provinces have no very large cities. Therefore it is necessary for companies to be formed with huge amounts of capital to transport gas and oil to places where they can be sold profitably. It costs enormous amounts of money to build pipe lines to transport gas or oil to the markets. After this bill has passed this house the company has to be formed, and in this respect it is worth noting that the sponsor—I do not mean the hon. member for Kindersley but Mr. Herring, I think it was, or Mr. MacTavish, the solicitor—stated in the committee that up to the present time they had only spent \$25,000. In other words they have not really spent any money on exploration or anything of that kind. In fact Mr. Herring told us that it was not their function to engage in exploration. What they proposed to do was merely buy the gas from Pincher Creek or some other area where gas is plentiful, and then transport it. Therefore they had not spent very much money and would not proceed to spend money until they had secured

[Mr. Browne (St. John's West).]

a charter and could make a contract with somebody who had gas to sell.

After they have their company formed they then have to make application to the Alberta gas and petroleum conservation board. It may be a long time before that application could be heard, and it is very unlikely that it would be granted. In this respect I should like to draw the attention of members of the committee to the *Financial Post* of April 26 where an account is given of the application of the Westcoast Transmission Company for the right to export gas from the northern section of the province of Alberta and the Peace river district across the Rocky mountains to Vancouver and thence to the northwest part of the United States. That company has been incorporated for a couple of years, and it is only now that it has secured permission from the Alberta board. But that permission was not the final step, because they then had to make an application to the board of transport commissioners, and it was only yesterday morning that the judgment of the board of transport commissioners was published in the *Ottawa Citizen*. Judgment was given on Saturday, and it was stated that the board of transport commissioners gave conditional approval—mark that, “conditional approval”—to the Canadian section of a proposed \$111,240,000 pipe line to carry the first natural gas into southern British Columbia and the United States Pacific northwest.

This report goes on to say:

Final approval of the application by Westcoast Transmission Company Limited of Calgary depends on an independent check by the board of the adequacy of the company's available gas reserves in the Peace river areas of British Columbia and Alberta.

The board had under consideration three applications from other companies to build natural gas pipe lines in western Canada, but shelved the other two applications.

That was the experience of the Westcoast Transmission Company after getting permission from the Alberta government. They had to appear before the board of transport commissioners, and the board of transport commissioners gave them only conditional approval. It must be remembered that the Alberta government, though believing there is a great quantity of natural gas in the province, is still not willing to allow export except by Westcoast Transmission.

In his evidence Mr. Herring said he was only going to build a small pipe line. His evidence was to the effect that he would only build a small pipe line because he did not think the province of Alberta had sufficient reserves to justify a large line. The pipe line