

Northern Ontario Pipe Line Corporation

inflicted upon it by a despotic government headed by a Prime Minister who is not doing his duty.

Mr. Prudham: Mr. Chairman, for a few quieter moments I propose to place some facts on the record about this project, the greatest national project that has come before parliament in our generation. I should like to review the development of the gas industry in Alberta. In 1901 gas was discovered at Medicine Hat. In 1912 the first pipe line was built from Bow Island to Calgary. It was a 16-inch line and about 170 miles long. At that time it was an outstanding feature of pipe line construction on this continent. It was later extended to the Foremost and Turner Valley fields.

The second major pipe line in Alberta was from the Viking-Kinsella field to Edmonton, which was later extended to other nearby communities. The first major era of gas production in Alberta came with the discovery of the Turney Valley field. Turner Valley gas is wet gas. In other words, it contains a large amount of by-products in addition to the methane or dry fuel gas.

The flares of gas which burned in Turner Valley for 30 years are a black mark in the history of conservation and use of our resources. From the discovery of Turner Valley in 1924 until 1952 more than a trillion cubic feet of gas from that field was burned to waste with nearly all the by-products also lost. This represents a loss in equivalent heat value of 40 million tons of good grade coal.

The discovery of oil and gas in Alberta was no accident. The exploration which eventually led to the discoveries was based on painstaking and careful study by the geologists of the geological survey of Canada as well as by private companies and to some extent provincial governments.

The knowledge of the geology of the western provinces was built up over a period of 50 years by the geological survey of Canada. Their maps and reports have always indicated that western Canada was a very promising area for production of oil and gas. In 1947, following the discovery of Leduc, the men of the geological survey of Canada became very concerned lest the history of the waste at Turner valley be repeated. Dr. Hume, director-general of scientific services of the Department of Mines and Technical Surveys, in an article published in the magazine, *Western Business*, for November, 1947, discussed the prospects and had this to say:

It would seem highly improbable that a gas pipe line southeastwards from the Peace river area to Edmonton would be feasible in view of the gas supplies already available there and at

[Mr. Fleming.]

Athabaska. On the other hand, an outlet to Vancouver has many desirable features, such as a large market and the obvious advantage from the national standpoint of greatly assisting the development of the whole Peace river country. Such a plan would also have the further advantage of leaving the gas from central and southern Alberta available for other enterprises and if the reserve was found to be adequate it might be piped even as far as the industrial part of Ontario, supplying various prairie cities, including Winnipeg, en route.

The pattern of pipe line development that he suggested at that time is now being followed. In 1948, before I had the honour to come to this parliament, the Minister of Trade and Commerce asked the Department of Mines and Technical Surveys to make a survey of gas reserves in western Canada. That survey was undertaken by Dr. Hume and Mr. Ignatieff and their estimate of gas reserves in 1948, in Alberta and Saskatchewan alone, exceeded 3 trillion cubic feet. At that time there were no proven reserves in British Columbia, although discoveries had been made in the Alberta part of the Peace river district. Their report indicated, however, that the prospects in British Columbia were excellent. Many thought at that time that their report was overoptimistic but subsequent developments have proven that it was very modest indeed.

In November, 1953, the conservation board of the province of Alberta stated that reserves in Alberta as of June 30, 1953, were 11½ trillion cubic feet. I believe that the hon. member for Peace River said this evening that they are now 16 trillion cubic feet. The Alberta government then stated that there was an excess for export over Alberta's needs. The Alberta conservation board placed Alberta's needs for the next 30 years at 4.45 trillion cubic feet. Up until November, 1953, the dominion government had no gas with which to deal. There has been a great deal of loose talk about the five-year delay by this government. The hon. member for Bow River this afternoon charged that this government was guilty of delaying this project. I repeat again that this government had no gas with which to deal until Alberta declared a surplus late in the year 1953. That was less than two and a half years ago. In anticipation of surplus gas from Alberta the policy of this government was clearly stated on March 13, 1953 as recorded at page 2929 of *Hansard* of that year by the Minister of Trade and Commerce. I quote in part his words:

Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.