

Gas Line Agreement Urged

— *Said to be in Best Interests of US, Canada*

The governments of Canada and the United States have been urged to negotiate immediate agreements for the security of oil and gas supplies shipped by each country through the other nation.

W.P. Wilder, chairman of Canadian Arctic Gas Study Limited, urged fast implementation of the agreements, first mentioned by Prime Minister Trudeau in the House of Commons on Dec. 6.

In an address to The Empire Club of Toronto, on Thursday, Wilder said that such agreements should be made before the two governments consider the Arctic Gas proposal for the transportation of natural gas from the North Slope of Alaska and from the Mackenzie Delta region in Northern Canada.

The Empire Club is an organization of leading professionals, civic and public service figures in Toronto.

He said that such agreements would allow the two governments to "focus clearly on the interests of each nation and on the merits of our proposal."

Alaskan Arctic Gas Pipeline Company and its sister-company Canadian Arctic Gas Pipeline Limited will file applications in Ottawa and Washington for a proposed \$5.5 billion pipeline system, "within a few weeks," according to Wilder.

The Arctic Gas system would transport both Alaskan North Slope gas and Mackenzie Delta gas through Alaska, across Northern Canada and Alberta and to the southern 48 states through a single, 48-inch, buried, refrigerated pipeline.

Companion pipeline facilities would deliver the gas to U.S. consumers from the Pacific to the Atlantic Seaboards.

A competitive proposal by El Paso Natural Gas Company would ship North Slope gas across Alaska by pipeline to the Pacific coast where it would be liquefied for shipment by tanker to U.S. West Coast markets.

Canadian needs will require supplementary supplies of natural gas from the Mackenzie Delta before the end of this decade, Wilder said.

But without the large volumes provided by moving both

Alaskan and Mackenzie Delta gas through a single pipeline, he said it is questionable whether Canadian consumers could gain economic access to this northern supply by the time that it will be required.

The single transportation system would also save at least \$200 million per year on the cost of transporting U.S. natural gas from the North Slope, Mr. Wilder said.

Both countries have a substantial commitment to bilateral energy relations.

But Wilder asked: "If the United States could not feel secure with less than 10 per cent of its gas supplies flowing by pipeline across Canada, where would that leave Canada? How, then, could we feel secure when three-quarters of our oil and gas supplies flow by pipeline that cross U.S. territory?"

The Prime Minister told Parliament on Dec. 6, "I can see no reason why Canada could not give suitable undertakings as to the movement, without any discriminatory impediment, of Alaskan gas through the pipeline across Canada to U.S. markets . . . An undertaking of this sort would, of course, be reciprocal, with the same assurance being given to Canada regarding our oil and gas shipments through the United States."

Wilder said that Ontario particularly would benefit from a two-country agreement since "90 per cent of this province's oil supplies, and 40 per cent of its natural gas, are shipped from Western Canada by pipeline across the United States."

"Certainly, each nation must first consider its own interests," Mr. Wilder said. "But there must be recognition of mutual interests. There must be recognition that, in this instance, the interests of each nation are best served by mutual trust and co-operation."

The application for governmental authorizations to be filed by Arctic Gas in Washington and Ottawa follow seven years of study costing more than \$50 million, Mr. Wilder said.

Initial exhibits and material to be filed by Arctic Gas will provide information on basic design and construction engi-

neering; operation and maintenance of the pipeline; environmental impact; and regional economic and social impacts in the North.

Additional materials will be filed later, providing information on such factors as natural gas supply and demand, financing, ownership, and national economic implications.