

*Oral Questions***ORAL QUESTION PERIOD***[English]**[English]***NATIONAL ENERGY BOARD**

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, I have a question for the Acting Prime Minister.

In the discussions leading up to the free trade deal, Americans said they did not like our system of unemployment insurance and they wanted it brought down to American levels. They will get that if Bill C-21 goes through.

They also said they did not like our system of regional development grants. They will get that if the budget goes through.

Furthermore, they said that they did not like our approach to giving Canadians priority access to Canada's own natural gas. They are going to get that with the decision of the National Energy Board yesterday that it will no longer apply a cost benefit test in deciding whether to permit exports of Canada's natural gas to the United States.

I want to ask the Acting Prime Minister, will he not admit that there is an emerging pattern here, a disturbing pattern of Canada caving in, in every instance when it comes to protecting the rights of Canadians about their future and the future of this country, or will this government give a direction to the National Energy Board that it must continue applying the cost benefit tests when it comes to exports of natural gas and making decisions about such exports?

*[Translation]*

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, the National Energy Board's decision takes account of the market's ability to balance supply and demand. It also takes account of Canada's environmental and energy supply requirements. Its approach takes account of these two aspects that are fundamental for Canada. On one hand, we have a free market, of which Canada is part. On the other, we have our environmental and security interests. I believe that the board has come up with a balanced proposal.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, the minister's answer flies in the face of the history and experience of this country which says that leaving everything to the market, important as it is, does not necessarily always result in the Canadian public interest being respected.

Foreign ownership of our upstream petroleum and natural gas sector has increased to 62 per cent. What the decision of the National Energy Board is saying is that not only will foreign subsidiaries be sending back dividends to the United States, but also that they will be getting cheap natural gas and contracts lasting for 100 years.

I want to ask this government if it is going to give a mandate to the National Energy Board to protect the interests of all Canadians, stop caving in and start standing up for this country, all of this country? When is it going to do that?

*[Translation]*

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, I know that my hon. colleague represents a party that does not trust the laws of the market. But they are the laws that apply in the western world at this time. I believe that they can assure and support trade in energy. However, in some areas there are environmental priorities. It is essential to protect the environment, it is essential to protect Canadians' security of supply. When these are at stake, the board will make the appropriate decisions. Meanwhile, the laws of the market favour both producers and consumers, whether they are in Canada or in other countries, but the Liberal party has still not realized this aspect of its policy.

• (1120)

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, the minister mentioned a matter of trust. Canadians don't trust this government, which is obvious from the fact that the Province of Ontario said that without a cost-benefit test, the National Energy Board could no longer exercise its mandate, which is to protect the interests of the public, and Quebec noted that a cost-benefit test was the only way to reconcile public and private interests.