

National Energy Board Act, No. 2

high level of activity in the energy field, all nine members are already committed to hearings throughout 1982 and beyond. It would be impossible for board members to carry out their obligations under Bill C-60 without provision for additional members.

As the President of the Privy Council has noted, concurrence has been received from all parties to introduce this bill in anticipation that it will receive swift passage so as to permit Bill C-60 to be proclaimed at an early date. The sole purpose of the bill before us now is to provide for the appointment of not more than six temporary members under terms and conditions to be prescribed by the governor in council and for such members to carry out such duties as may be assigned to them by the chairman.

Whether more permanent members are needed can be determined when experience has been gained in administering Bill C-60. Each of the temporary members will be governed by the same conflict of interest rules which are contained in the National Energy Board Act relating to its members.

Members may note that there has been a change in the wording of the residence requirements of board members. They are presently required "to reside in the city of Ottawa or within 25 miles thereof or within such other distance as the governor in council determines". It has been decided to change these definitions and relate them to the National Capital Region based on the definition set forth in the National Capital Act. This seems to reflect the appropriateness of using the term, National Capital Region, embracing an area in both Ontario and Quebec in referring to the federal Government of Canada.

As I pointed out, the act is basically simple. It provides for no more than six temporary board members, permitting the bringing into operation of Bill C-60 at an early date. It is the intention to proclaim the coming into effect of this act on the same day as Bill C-60.

I have referred to the fact that this bill anticipates not more than six temporary members. At the committee stage of the bill, as the President of the Privy Council has already indicated, with the concurrence of the two opposition parties I will move an amendment that will limit the number of temporary members to not more than six.

Mr. Andre: Mr. Chairman, I want to take this opportunity to say a few words. We concur with the introduction of this bill. We did support and do support Bill C-60 which provides, I think, for a fair way of treating farmers, ranchers and other land owners who are subject to pipeline right-of-way expropriations. Obviously, we concur with the necessary changes to the staff of the National Energy Board so as to enable it properly to administer this new way of handling land owners.

I would also like to take this opportunity to indicate that an equal concern to Bill C-60 is a concern that we in this party feel about the ability of the National Energy Board properly and expeditiously to handle other very important issues which will be coming forward in the coming year. In particular, I consider that the hearings which the National Energy Board

will be undertaking on natural gas exports commencing March, 1982, are of vital importance in an energy sense to the future of this country.

These gas export hearings, I hope and believe, will result in the authorization of increased gas exports, which are vital to this country for many reasons. First, although the Minister of Energy, Mines and Resources never wants to admit it in this House, there are dozens and dozens of oil and gas companies in severe financial straits at this time. Many of these companies are primarily concerned with natural gas having explored for and found gas over the last few years. These companies have been unable to market their gas. They are now in hock to the banks and are faced with the extremely high interest rates prevailing, putting them into serious straits.

Yesterday I heard about a rather significant company, not a large one but certainly a significant company, that could be purchased for \$1 as a result of its inability to market gas. This is a Canadian-owned company. That kind of de-Canadianization flowing from many of this government's policies on interest rates and the policies of the National Energy Board is something about which we should all be concerned. One thing the government could do without having to eat crow and admit how bad the National Energy Program is would be to examine and authorize natural gas exports.

We are faced with a very serious balance of payments problem and serious interest rate differentials vis-à-vis the United States, and increased gas exports would perhaps be the quickest, most readily available way in which we can improve our balance of payments deficit and reduce the interest rate differential between Canada and the United States.

Increased cash flows to industries from increased gas exports would be a tremendous stimulus to increased exploration and development. It will maintain thousands of jobs, not only in the oil and gas industry but all of the industries primarily located in central Canada that supply the oil and gas industry. They produce the pipes, the valves, the pumps, the machinery and so on which are so much a part of exploration and development efforts.

It is important that the National Energy Board get to these decisions quickly. The ability to sell natural gas to the United States market is being reduced daily. The door is slowly being closed. The reason is simple. The United States, unlike Canada, adopted a much saner energy policy two years ago. This triggered a massive increase in exploration and development in the United States. Large gas finds have been discovered in the U.S. Therefore, the market for Canadian natural gas is being reduced daily as a result. I might add that there are 300 to 400 Canadian companies in the United States drilling and finding natural gas also contributing to the restriction of market forces. If we are going to take this opportunity that gas exports offer, it is important that we do it quickly and very soon. It is important also that the National Energy Board be able to pursue these hearings with some vigour and make recommendations to the government as soon as possible.

I would be remiss if I did not mention the other side of the question. Will we have sufficient natural gas to look after