

Adjournment Debate

He said in the House at the time:

I mean I don't know where this guy is, except that he just wants to make a point in the House.

That is a former teacher talking. It was very confusing. Why else would one want to speak in the House if one did not want to make a point? The minister obviously believes that any member who rises in the House and does not sing the praises of the government is some type of an obstructionist nuisance.

The interventions in this dispute over natural gas are based on a sincere desire to see it resolved as quickly as possible. I hoped that desire might converge with that of the minister of energy. If it did, I hoped that our converging desires would have an impact on the California Public Utilities Commission, but it seems that this government, as in so many other issues, would rather see our natural gas industry twist in the wind as far as its most profitable export market is concerned than actually presenting a united front in opposition to those moves in California.

I had written to the governor of California on the matter in mid-December. A reply has not been received, but since the letter was sent 190 western Canadian gas producers and distributors are no closer to receiving fair treatment from the California Public Utilities Commission. The action of the commission has had the effect of exerting downward pressure on the already depressed price of natural gas. Furthermore, in an age of deregulation its demands that California utilities purchase only short-term contracts has the effect of distorting fundamental conditions in the marketplace.

Our Natural Energy Board has made a good attempt in trying to mediate and resolve this state of affairs. Unfortunately the NEB has no regulatory authority over the actions of the California commission.

It would seem to any reasonable person, I suggest, that the consultative mechanism for energy matters in article 905 of the free trade agreement will have to be used. Unfortunately the government has yet to inform the House whether it has chosen to use this option to resolve the dispute which puts into jeopardy several thousand jobs in Alberta and British Columbia. If it has, it has refused to inform the House about any progress in the consultation.

I would therefore ask the parliamentary secretary or some parliamentary secretary, to rise in the House and deal intelligently with the question.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in reply to the hon. member for Edmonton Southeast I would just like to review some of the facts.

In December 1991 the Governments of Canada, Alberta and British Columbia and the Canadian natural gas industry agreed on a three-party strategy to respond to the California Public Utilities Commission's capacity brokering decision.

First, it was decided that consultations should be initiated to convince the CPUC of the need to rely on commercial negotiations.

Second, regulatory options would be examined to maintain the integrity of the first export agreement until a commercial restructuring by the commercial parties was concluded.

Third, our options and remedies under the Canada-U.S. Free Trade Agreement would be carefully examined.

That consultative process commenced immediately and the representatives from the governments of Alberta and British Columbia and staff from the California Public Utilities Commission were invited to attend the regularly scheduled Energy Consultative Mechanism, the ECM-gas trade talks meeting between the Canadian and American federal government officials.

Discussions have continued under the umbrella of these special gas talks for the past few months with favourable results to date. It is important that we note that these discussions are intended to promote a regulatory environment that will facilitate a commercial solution. They are not intended to substitute for commercial negotiations.

In the interim the Canadian Petroleum Association, with the support of the Independent Petroleum Association of Canada, requested the National Energy Board to review the 1989 decision to extend the Alberta and Southern natural gas export licence. As a result, the board adopted interim measures to prevent the potential erosion of long-term contracted natural gas exports to northern California. These interim measures are subject