

Adjournment Debate

May 20, published under the heading "The gnat and the camel", showed a clear understanding of the real problem, which is not the so-called corridor, which indeed Mrs. Bissonnette calls a "scarecrow", but an amendment that will allow the National Energy Board to revoke or suspend a licence if in the opinion of the Board, the public's convenience and necessity so requires. According to Mr. Joseph Bourbeau, Chairman of the Board of Directors of Hydro-Quebec, a neighbour of mine in Brossard, this amendment might jeopardize electric power sales worth nearly \$10 billion, and it would not be very wise to allow, and I quote:

—the government unlimited discretion, let alone invite a specialized agency to go beyond its terms of reference.

● (2210)

The expression "public convenience and necessity" included in the bill also appears, for instance, in the Aeronautics Act; as counsel I have had occasion to argue this point of "public convenience and necessity" in connection with the Aeronautics Act, Mr. Speaker. It seems to me that this kind of amendment would grant far too extensive powers to the National Energy Board and to the governor in council, and could well draw business decisions into the political sphere. That is the contentious aspect of this bill, Mr. Speaker, and that is why I asked the minister to amend his bill and withdraw this provision, which according to Mr. Bourbeau would solve the problem because we would then revert to the original legislation.

As for Hydro-Quebec's concern about regulatory authority, more specifically with respect to the environment, which could very well cause some confusion in negotiations on export contracts and cause federal-provincial relations to deteriorate still further, I may remind Canadians, as our Minister of Energy, Mines and Resources did previously in the House, that the National Energy Board will have the power to issue a licence, but the licence holder will be governed by current provincial legislation, and as far as Quebec is concerned, this means environmental legislation and, of course, land protection legislation. This is already a daily occurrence in Quebec with respect to Trans Quebec & Maritimes PipeLine. Therefore, I do not think these concerns have any basis in fact. To get back to the corridor, the Parti Québécois can indulge in all the allegations and motions and press conferences and symbolic references it likes, the corridor is just a "scarecrow", to quote the editor-in-chief of *Le Devoir*. In fact, when he appeared before the Standing Committee on Energy Legislation last Wednesday, the Chairman of the Board of Directors of Hydro-Quebec made it quite clear, and I quote:

I could not care less about the corridor.

And that is because as a project, the corridor is technically and economically just not feasible and is not a viable proposition. First of all, it would be far more expensive to transport electricity and to build such a corridor from Newfoundland than to let Hydro-Quebec transport electric power via its own grid to Ontario, the United States and New Brunswick. Second, the

corridor would require not just one line but two, to guarantee supply, which would double the cost. Third, it is clear that it is in the interest of Newfoundland to come to terms with Quebec.

The people of Quebec must remember that the present act does not contain any provisions that would oblige Hydro-Quebec to allow Newfoundland to use its grid, and that the power to expropriate for electric power exports is technically and economically feasible only if the expropriation takes place over a very short distance. Actually, the government included the expropriation clause at the request of Calgary Power, to resolve a regional problem, since, as the House is aware, Mr. Speaker, Newfoundland is far more interested in using the Hydro-Quebec grid to transport electricity than in building a corridor.

Finally, Mr. Speaker, the gist of Mr. Bourbeau's testimony was that the dispute between Newfoundland and Quebec could be negotiated without any trouble if the politicians withdrew from the scene and negotiations between Newfoundland and Quebec were handled, not on the basis of symbols, but in a businesslike fashion by businessmen, namely, by Hydro-Quebec and the Churchill Falls Development Corporation, and not by Mr. Peckford and Mr. Lévesque.

In concluding, I may remind the Parti Québécois caucus that as far as this case is concerned they are absolutely not aware of the facts.

● (2215)

[English]

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, when concern was expressed in this House on May 27 by the hon. member for Laprairie (Mr. Deniger) about a proposed amendment to the National Energy Board Act as embodied in Bill C-108, the Minister of Energy, Mines and Resources (Mr. Lalonde) stated that if a clause in that bill that would make it possible to modify a power export licence would cause problems in relation to an export contract, he would not hesitate to amend the bill to ensure that there was no prejudice to such a contract.

This matter refers to Section 84 of the National Energy Board Act. Currently under Sections 84(1) and 84(2) of that act, the board, with the approval of the governor in council, could not revoke or suspend an export licence unless any term or condition of the licence had not been complied with or had been violated. Under the proposed Section 84(1)(b) the board, with the approval of the governor in council, would be given the additional power to suspend or revoke a licence if, in the opinion of the board, public convenience and necessity so required.

The language of proposed Section 84(1)(b) is based upon a similar provision in the Aeronautics Act which has been interpreted by the Supreme Court of Canada.