

*National Energy Board Act (No. 3)*

Second, the bill still allows export licences for oil and gas to run for 25 years. In view of what can only be called the dismal record of the National Energy Board in its supply projections, we believe that maximum is too high. Ten years would be more appropriate. We will therefore be introducing the appropriate amendment at the proper time.

Third, the bill allows the federal government, through the National Energy Board, to expropriate provincial land to construct an electric power corridor. As has already been said, this power now exists for oil and gas pipelines. However, this power could be invoked by the federal government to take sides in the current dispute between Quebec and Newfoundland over the Churchill Falls power agreement. We on this side want to see a negotiated settlement rather than the possibility of this new power being applied in the dispute.

We believe this bill is premature. I will go into the reasons for that in a few minutes. We believe it will be perceived as an interference in the affairs of Newfoundland and Quebec. Accordingly, we will support the Conservative amendment introduced a few moments ago by the hon. member for Joliette (Mr. La Salle).

Let me deal with these points in detail and as succinctly as I can. Clause 24, which is found on page 13 of the bill, amends Section 83. It drops the provision which gave the National Energy Board the authority to consider the degree of Canadian participation in oil and gas to be exported. Again, this is backtracking from the original commitment of Canadianization in the National Energy Program. That program was brought down in October, 1980. I quote from page 50 of the program:

The National Energy Board will be asked to take Canadian ownership levels into account, from now on, in considering export applications. The Government of Canada would prefer that in granting such licences, the Board would give preference to Canadian-owned and Canadian-controlled firms.

There was a commitment to Canadianize, that is, a commitment to look at those Canadian companies which wanted to export gas in particular. A number of small Canadian companies have shut-in gas. They should have the same chance to export as the big boys. The original draft of this bill was prepared to give that chance. That measure should be reinstated in this bill. This is one of the fundamental reasons why we oppose this bill.

Clause 26 on page 13 amends Section 85. It still allows an export licence for gas to run for a maximum of 25 years. Clause 22 also brings oil under this provision. Under Section 83, the National Energy Board is supposed to allow exports only after assuring itself they are surplus to our future requirements.

● (1710)

Now, Mr. Speaker, the National Energy Board has a dismal record on this. This is the same board that recommended to the minister that we had over 300 years' supply of oil. Now we have an oil shortage. That is part of the reason why we have this energy problem in Canada. Oil is the only substance of which we are energy short. We exported in the early 1970s, at

one time, half of our daily production. We were misled into doing that. The board did not project properly and we were stuck with some long-term export contracts. We literally exported away all our surplus oil, at tremendous and incredible cost to the Canadian consumer. Mr. Speaker, I would like to warn that the same thing may happen with natural gas. We say we have a surplus of gas, but that surplus may be gone sooner than we expect.

Let me just give you chapter and verse, Mr. Speaker. In June, 1971 the then minister of energy predicted that we had 900 years' worth of natural gas and 400 years' worth of oil. Massive exports were authorized in the late 1970s by the National Energy Board and the cabinet. Mr. Eric Kierans, who served in the cabinet at that time, wrote a very interesting article entitled "The Day the Cabinet was Misled". He said:

The NEB based its conclusion on figures supplied by the petroleum industry which was, and still is, dominated by the multinational oil companies.

That is what we have been arguing in this House for so long, that Petro-Canada must be in the driver's seat so that this domination will never happen again.

In the 1970s, Canada was exporting nearly one-half its daily oil production to the United States. In 1974 the NEB revised its position and stated there would be an oil shortfall by 1982. In 1974-75 the NEB revised its position and stated that we would need Arctic gas in 1983, that we would be running short of gas by 1985. In 1975 the NEB said oil exports would have to be eliminated by the end of 1981. In 1977 the NEB said we would have an oil shortfall by 1985.

In 1979 the NEB recommended, and the Conservative government approved, additional natural gas exports based on the conclusion that there was one-third more in natural gas reserves than was previously estimated. In 1981 the NEB supply and demand report stated that we have a ten-year supply of conventional oil from established reserves and that for gas, supplies from current reserves would be adequate to meet domestic and export requirements for the next ten years. I quote from that report:

There does not appear to be any surplus available at this time to support new export.

These are just a few examples of the bad forecasting shown by the National Energy Board. What we would propose, on what we say is a weakness in this bill, is that these long-term contracts should be shortened.

I want to say a few words, with respect to the third reason we are against this bill, a matter to which much of the debate has been addressed this afternoon.

[Translation]

The other reason why the New Democratic Party is against Bill C-108, to amend the National Energy Board Act, is that it will make it possible for the federal government to get involved in a strictly provincial dispute and to favour one province to the detriment of another. Under this bill, the federal government will have the authority, through the National Energy Board, to expropriate part of the Quebec territory for the