

states this quite categorically. He cites no scientific authority. Only the wisdom in his all-knowing head, for that conclusion!

Some hon. Members: Hear, hear!

Mr. Greene: The National Energy Board has a proud and proven record of ten years' service in the national interest, which convinces the government that it is entitled to continue placing the utmost confidence in its decisions and advice. The board has consistently maintained that increased sales would result in increased proven reserves because of increased exploration and development. The facts have proven the board to be right. At the beginning of 1960 our proven reserves were 30.3 trillion cubic feet. At the end of 1969, after exporting in the previous decade approximately 4 trillion cubic feet with a value to Canada of over \$1 billion, our proven reserves amounted to 57.4 trillion feet.

I repeat, after selling gas which produced \$1 billion in foreign exchange and creating the basis of exploration leading to new jobs not only in western Canada but eastern Canada as well, our proven resources have almost doubled. In light of these statistics it is difficult to put any credence in the alarm expressed by those who would play politics with our precious energy resources, rather than leaving the decision regarding surplus, in the hands of those scientifically trained, and proven able to make these judgments on behalf of the people of Canada.

It has been suggested that the National Energy Board has failed to take into account the increased demands upon natural gas because of anti-pollution measures, which will make it a more desirable fuel than oil and coal. He who so alleges obviously has not even taken the trouble to read the reasons for judgment of the board. A reading of the National Energy Board report will indicate that this increased demand has been taken into account. In the reckoning of required supplies, allowance has been made for the conversion by Ontario Hydro of the Hearn plant and two other plants to natural gas use. Allowance has also been made for the use of gas in British Columbia power plants. The board is also accurate in pointing out that natural gas is not the pollutant-free fuel, as some have suggested, and that the heightened demand for this purpose has to be limited by that consideration. It does not contain sulphur but it does contain nitrogen, and the polluting factors of nitrogen have not yet been fully researched or reported upon.

[*Translation*]

It was said, Mr. Speaker, that authorized explorations are exhausting too many of our known reserves. It indicates that one of the basic principles on the economy of resources is misunderstood. It is only by expanding our markets and boosting our sales that we can hope for an increase in our known resources, since it is also the only way to stimulate research and development of existing power sources.

[*English*]

It was alleged that this export will result in higher prices to Canadian consumers. Energy prices both in the

The Address—Mr. Greene

United States and Canada may well be increased in future years. I would not pretend to mislead or disillusion the House or the Canadian consumer in any way on this question. One cannot expect increasing costs in other areas of our economy, increasing wages in the industries which serve the energy industry, and static prices for energy. Again, the best protection for Canadian consumers, in the view of the National Energy Board and concurred in by the government, is to increase the supply. This can only be achieved by increasing markets. Surely that is a fundamental rule of economics. It is a restricted supply which puts unwarranted pressure on prices.

• (4:00 p.m.)

If we fail to build up our reserves by stimulating exploration through sales, I can guarantee that there will be a very sizeable increase in consumer prices. This is what the United States is experiencing today. Might I point out with respect to prices that the sale of surplus natural gas will enhance the competitive position of Canadian consumers of natural gas whose requirements are fully protected through lower prices attributable to economies of scale, and through benefits flowing from the export revenues of natural gas transmission companies in Canada.

In the case of the licences issued to two of the applicants, the board has added the stipulation that the export price must at no time be less than 105 per cent of the comparable price to Canadian distributors. The National Energy Board controls the rates of the transmission companies under its jurisdiction and the provincial public utilities boards control earnings of the distributing companies within their jurisdiction. The more revenue derived from exports, the lower the consumer price allowable in the Canadian market.

It has been further said that the government did not take advantage of the American need for our natural gas to extract concessions from the Americans for the export of our oil. To those who feel that such a tactic is a sound manner of increasing our trade and improving our trade relations, let me point out that the amount of new gas now to be exported to the United States will amount to approximately 1 per cent of their national demands. Surely it would be naïve to believe that this is a sufficient club with which to coerce the government of the United States into altering its strategic oil policy, a policy which in the view of many has been a fundamental factor in its foreign policy as well as of its domestic oil policy for a period of half a century or more.

The reluctance of the United States to grant us open access to their oil market is motivated to a considerable degree by the concern of that country for security of supply. The security of the supply of Canadian oil is one of the factors which concerns them in considering their decision as to whether or not to rely in greater degree on Canadian oil. We are hopeful that such apprehensions can be allayed. What is known and appreciated by United States officials, and this was clearly indicated in the government's announcement as reported in the *New York Times* of Wednesday, September 20—