

granting certain general powers and prescribing certain obligations with respect to a company which operates a pipeline, but there is no similar provision in the case of hydro power lines. Some of those general powers and obligations have to do with the acquisition, including expropriation, and the conveyance of lands required to build and operate a pipeline.

Those provisions can be found in Part V of the National Energy Board Act. To eliminate that shortcoming, Bill C-108 contains a section under which the provisions of Part V, that is the sections granting general powers or prescribing general obligations with respect to pipeline companies, will also apply to persons operating international hydro power lines. This part will also apply to interprovincial power lines designated by the Governor in Council.

The case of interprovincial hydro power lines is altogether different from that of international lines because, for all practical purposes, the board has absolutely no jurisdiction over them. Bill C-108 will change that by likening an interprovincial line designated by the Governor in Council to an international line. In brief, once an interprovincial line has been designated, the provisions concerning international lines will apply to that interprovincial line.

I must emphasize that the National Energy Board Act will not apply to just any interprovincial line, but only to those which will be specially designated by the Governor in Council. In addition, it should be noted that this power of designation will apply only to future lines to be built; it will not apply to existing interprovincial lines.

With respect to exercising that power of designation, honourable senators, I should stress that the government will make decisions concerning those interprovincial lines only after having taken into consideration the interests of the provinces in this area.

The federal government has no intention of acting unilaterally in such cases and would eventually go ahead only under normal conditions.

[English]

In other words, it was to include the transmission of power to give the National Energy Board the power to extend the kind of regulations that are in effect now with regard to oil and gas transmission to the transmission of hydro-electric power.

[Translation]

As I was saying, the federal government does not intend to act unilaterally on this matter. It would eventually, under normal conditions, only designate a line at the request of one or several provinces.

You are aware that those amendments more specifically earned us the accusation of meddling in the dispute between Quebec and Newfoundland about the transmission of power from Labrador.

The federal government made it very clear it had no intention of meddling or taking sides in that conflict, believing as it does that both parties have much to lose by pursuing the confrontation. The government reiterated its view that the best

solution is continuing negotiations between the two provincial governments; a negotiated agreement with mutual compromises is still more favourable for the people of Newfoundland and Quebec than any legal victory that could only result in bitterness and frustration. An agreement will have numerous and long-lasting benefits.

That is why, honourable senators, an amendment was moved in the other place at the report stage. It shows that the government does not intend to get involved in that difference the day the legislation is passed. That amendment provides that amendments on power transmission lines cannot come into force until at least six months after the bill is passed. As far as hydro power exports are concerned, I would point to the amendment recommended by the committee, which will exempt those exports from the provisions in the bill enabling the Board to cancel or suspend an export licence for reasons of public convenience and necessity. This should adequately answer the representations made before the committee on the damage that such a clause could cause to a power export contract.

Bill C-108 also amends a number of sections in the National Energy Board Act.

The amendment withdrawing from the Board the authority to determine the export prices of oil and natural gas and transferring that power to the Governor in Council is self-explanatory. The almost continuous fluctuations of international prices make this a highly political problem. Therefore, the responsibility rests with the nation's political authority.

Indeed, this amendment only sanctions current practice, since oil and gas export prices often are negotiated between the producing provinces, the federal government and the United States.

Another amendment empowers the Board to allocate oil and gas supplies to the various regions of Canada. The purpose of this is quite simple: It is to provide for future situations where the demand for Canadian oil could be slightly higher than available supplies. Of course, this would not create an emergency. However, it is a matter of simple equity that the Board may use its powers to allocate available resources fairly.

Finally, I should like to mention two amendments recommended by the Commons committee on energy legislation. The first deals with members of the Board, and the other with the definition of oil or gas products. In order to prevent any reflection on the impartiality of temporary members, the committee recommended that Board members, as is now the case for permanent members, be prevented from holding positions inconsistent with their duties and obligations as temporary members. As concerns the definition of oil products, it was amended to cover more specifically substances that are an adequate source of energy. These amendments also follow from representations made to the committee.

● (1610)

[English]

Honourable senators, I am sure that there will be many questions raised at the committee stage.