

Oil and Gas Production and Conservation

are compelling. There is no question about that. We have reached that part of the bill which deals with the constitution of the committee which will operate under the act, at least initially. Earlier today there was some discussion in regard to whether or not members of the committee drawn from the private sector should have some financial involvement in that area. Clause 6 provides that no member of the committee shall have a pecuniary interest in an amount in excess of 5 per cent of the shares of a company. This clause was amended to provide, in effect, that the members could not discuss or be involved in any decisions that affected any company in which they possessed some ownership.

• (8:20 p.m.)

I am wondering at this stage whether the hon. member is not making a point that is a little more fundamental, namely where the board should be located and how it should be constituted by members from the private sector as against the public sector. Reference to the minutes of the committee will reveal that an amendment moved by me, which in effect provided that the oil and gas conservation board should either be located in the Yukon Territory or Northwest Territories, was defeated in the committee. I admit it was a non-partisan defeat because I received support from members in a certain part of the house whereas other members from all parts voted against the amendment.

I was concerned with some of the statements made to the committee by officials of the department. The decision of the committee, I suggest, was based on a cost estimate that was presented by the officials and which showed the extra cost involved if the committee were not located in Ottawa but was established north of the 60th parallel in the area to which this oil and gas conservation act has reference.

The figures presented to the committee showed that if the activities of this committee, particularly its technical activities, were carried on from Ottawa the cost would be in the vicinity of \$15,000. If the committee, primarily the staff of the committee, were required to be headquartered in the territories, the cost would be \$126,000. I am a little concerned about this information because, when the officials of the department were asked to table the information, they supplied in great detail the estimate of the services if rendered from Ottawa but somehow or other

[Mr. Orange.]

failed to provide the information regarding the services if provided in the territories.

I should like to come back to a fundamental point. I do not think anyone who knows of the oil and gas potential in the north is against the principle of this bill. If those of us who live in the north are to see our hopes, dreams and aspiration with regard to oil and gas exploration in the north realized, this kind of control and involvement on the part of a regulatory body becomes very important. On the other hand, there is concern that, as a result of the location of this body and the fact that people from the public and private sectors are involved, it may once again develop into one of those agencies that are removed from the place where the action is.

As reported at page 796 of the committee evidence, the deputy minister had this to say to the committee:

I think it is most unusual for Parliament to try to place a restriction on the executive arm as to where part of the public service will be located.

I should like to remind the house that when the legislation setting up the freshwater fish marketing board was passed, the board was designated to be located at Winnipeg. Many other pieces of legislation have designated the location of the headquarters of a particular agency of government.

The hon. member for Winnipeg North Centre (Mr. Knowles) has moved an amendment which would include two members of the public service in any quorum of the oil and gas conservation committee. Although his arguments are compelling, he once again denies the kind of flexibility that I think the minister wants, namely to be able to draw from the best people available, be they in government or industry, to put together the kind of program that will benefit not only the Yukon territory and the Northwest Territories but all of Canada.

If the hon. member will refer once more to the committee evidence, he will find that the deputy minister indicated that this is an interim measure until such time as oil and gas become a very important part of the north in terms of production, not in terms of exploration and development. I suggest that during this interim period not only will the board move north but that the composition of the board should consist, and must consist of necessity, of members appointed full time, not merely for two or three weeks a year.

At present there is excitement in the Mackenzie delta, the Liard valley and along the Mackenzie river itself as a result of oil and