

• (2200)

Unfortunately, its operations have been completely shrouded in secrecy. We have not been able to get a copy of the TENNECO agreement under which gas has been hypothecated for export to five American companies. We have not been able to get information about farmouts of some property owned by Panarctic to various other companies.

The two questions I want to ask about this matter are as follows. Since Panarctic has announced that it now has sufficient gas in place to warrant doing an aerial reconnaissance with a view to building a pipeline, who is to build that pipeline: will it be Panarctic? Also will the people of Canada have a 45 per cent equity in that pipeline, apart from any loan capital which may be involved—I am dealing now with equity capital—or is another consortium to be formed in order to build the pipeline and obtain the main benefit from any gas found by Panarctic Oil: will the Canadian people find that the money they have put up to develop Panarctic is to benefit mainly some other consortium?

Also, I want to know what disposition will be made of the gas in the event that it is found, that the pipeline is feasible and that the supply of gas in place is adequate to justify the construction of a pipeline. An article in the *Globe and Mail* of June 2 which refers to the aerial reconnaissance Panarctic has undertaken reads in part as follows:

Mr. Hetherington said market considerations indicate that much of the gas involved would go to the United States.

Mr. Hetherington is president of Panarctic Oil. I want to know if the Canadian taxpayers are to be asked to put their money into the expansion of Panarctic Oil. Are we to be asked to put up money for the building of a pipeline in order to hypothecate gas to the United States when, according to the annual report of the National Energy Board, as of June 30 last year there was a deficit in our reserves of natural gas of 1.1 trillion cubic feet?

It will be useless for the parliamentary secretary or a minister of the government to tell me that this matter will be decided when this question is heard by the National Energy Board. The National Energy Board can only deal with those who make an application. If the application is made by a consortium of companies apart from Panarctic Oil, or by a consortium in which Panarctic Oil and the government have a small equity, all the board can do is say yes or no.

The government has the responsibility, first, for deciding what its policy is to be. Is it to continue maintaining a 45 per cent equity not only in Panarctic but in the pipeline as well? Second, it has the responsibility for ensuring that this gas is retained in sufficient quantities in Canada to meet the needs of Canadian gas consumers.

**Mr. Benjamin:** That will not happen if the Liberals have anything to do with it.

**Mr. Douglas:** We all remember what happened one year ago last October when the National Energy Board allowed the export of 6.3 trillion cubic feet of natural gas to the United States. A year later it was raising its hands in horror because we had to ration gas and were unable to

*Proceedings on Adjournment Motion*

take orders in certain parts of Canada for customers who wanted gas.

**Mr. Benjamin:** Shame.

**Mr. Douglas:** So we have a right to know in advance what the government's policy is to be. If the government does not know, if it is just blundering in the dark, it should tell us. I for one will keep insisting that the government tell us what is going on in connection with Panarctic Oil. So long as that venture was a doubtful proposition, there was no objection on the part of the oil industry to the government's putting up 45 per cent of the equity. Now that Panarctic has come across what promises to be one of the best gas finds in the world, I suspect the government is likely to be crowded out of the picture.

I want a definite statement from the government to the effect that it will stay in the picture, that the Canadian taxpayer will have an equity not only in Panarctic but in the pipeline, and that the gas will be hypothecated mainly for Canadian requirements and will not be diverted before Canadian needs are adequately met.

**Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs):** Mr. Speaker, the questions raised by the hon. member are at this stage hypothetical. As soon as a specific application is placed before the National Energy Board for the Development of a pipeline, the board will need to make certain decisions. The first decision it will have to make is whether there is sufficient gas for Canadian requirements and for export. This decision will be made in light of the best technical knowledge available and there is no reason to question the competence of the board in this respect. I note that the hon. member did not do so.

**Mr. Douglas:** The board cannot make policy.

**Mr. Francis:** The fact is that the decision will be made in the first instance by the National Energy Board. After that decision is made, the question of the merits of the application before the board will have to be considered.

The government has made abundantly clear, through its participation in Panarctic and in other ways, its concern for Canadian ownership in the pipelines which will ultimately be built to bring gas and oil from northern Canada. At the time the applications are received it will be the responsibility of the Energy Board to make a recommendation. In the first instance this recommendation will come from the board and then the government will have an opportunity to review the situation. It is certainly premature at this time to announce in detail, as the hon. member apparently anticipates, what policies will be followed. Only a general outline of the principles followed by the government can be given at this stage.

TRANSPORT—RESPONSIBILITY OF RAILWAYS TO  
PEOPLE OWNING LAND ALONG LINES ON WHICH  
SERVICE ABANDONED

**Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington):** Mr. Speaker, I raise a matter tonight pertaining to my question this afternoon to the Minister of Transport (Mr. Jamieson). In effect, I asked him whether permission