

*National Energy Board Act*

and I regret that the house is being asked to consider rather hurriedly a measure of this sort. On the other hand, the two amendments which are brought to the attention of the house are not such as to cause any great disturbance to people who are familiar, as hon. members of this house are, with the National Energy Board Act, which occupied the attention of this house for nine days last session.

There is no general principle in this bill, and in the second reading debate I find I am in the position of having to continue the discussion as though we were in committee, but I see no way around it because I want now to explain the two amendments for the benefit of hon. members.

The first amendment is to section 61 of the act. This section occasioned considerable difficulty to our drafting committee last year and to the House of Commons in consideration of it, and when the energy board examined it very carefully they found that the words which I am now suggesting be struck out of the section rather limited their powers. Section 61 as it stands in the act reads as follows:

61. Where the gas transmitted by a company through its pipe line from any place within a province to any place outside the province is the property of the company, such proportion as the board may fix of the differential between the amount paid by the company for the gas and the amount for which the gas is sold by the company shall for the purposes of this part be deemed to be a toll charged by the company to the purchaser for the transmission thereof.

It is suggested that the phrase "from any place within a province to any place outside the province" should be struck out. We are dealing here, of course, with pipe line companies which cross interprovincial boundaries and therefore come within the jurisdiction of parliament and under the National Energy Board Act, and may be dealt with by the energy board.

**Mr. Chevrier:** Would the minister permit a question here? Does the statement he has made indicate that a pipe line which operates exclusively within a province is outside the scope of the bill?

**Mr. Churchill:** Yes, a pipe line operating exclusively within a province, picking up gas within that province and selling it within that province, does not come within the jurisdiction of the national energy board; but a pipe line which transports that gas outside the province, that crosses a provincial boundary, does come within the jurisdiction of the board.

This section which gives the board power to determine tolls is a section which the board will now be considering during the next few

months when the companies operating have placed before them their rate structures and the board faces the very difficult chore of determining how to apply this section and determine the tolls. However, last year we discussed this in the House of Commons, and the whole problem of the toll-setting capacity of the board is not under question at this moment. This amendment simply clarifies the issue and in the opinion of the board will make it easier for them to perform their task. Striking out these words does not give the board any powers it does not already have. The deletion of this phrase makes for clarification of the section.

The second amendment comes about because, as I mentioned earlier, licences to export electricity have been annual licences. Those licenses were issued under the Exportation of Power and Fluids and Importation of Gas Act, which was discontinued when the National Energy Board Act came into effect, and the former act has lapsed. The energy board has to exercise the same care with regard to the export of electricity as it does with regard to oil and gas. It must review these licences to export and determine whether or not the licences shall be continued and for what length of time.

These licences have been renewed annually virtually automatically. This has put the companies in the position of having to come to the department year after year to have their licences renewed. Although I have not examined the record that carefully, I do not know of any instance in which one of these licences was discontinued.

When we reach the committee stage I am prepared to give the committee a list of the 20 companies that are affected and the amount of electricity which is exported. I would just say at this stage that these annual licences to export electricity have been in effect since 1907 with regard to some companies and since 1924 with regard to those companies that are exporting the largest amounts of electricity. What we are asking for in this amendment, then, is permission to extend these licences until December 31, 1961, unless they are dealt with at an earlier period.

That date was selected merely as a matter of convenience. The energy board might deal with these electricity problems within the next twelve months, but as a precautionary measure we thought an extra few months might be allowed. Because public hearings have to be conducted, and because the energy board is new and has many serious problems before it and may have other difficult matters to deal with in connection with oil and gas, we thought an extension of time beyond twelve months would be acceptable.