

*Government Orders*

• (1410)

In light of the growing importance of electrical energy and the entry of Canada into the free trade agreement with the United States, there continues to be a very important role for regulation. It is important that Canadian consumers have a secure energy supply, not only in electrical power but in all sources of energy. It is important that Canadians have reasonable and equal access on a regional basis to those energy supplies.

It is important to regulate the industry to assist in the development of the regions of this country that are not so well off. We can use it as a regional development tool. I might add that in light of the free trade agreement the ability of Canada to utilize its energy resources for regional economic development incentives has been sadly diminished.

It is important to balance the interest of investors with over-all public interest. If the industry is not adequately regulated, then it is conceivable that electrical monopolies which are shielded from competition could in fact gouge their customers. It is conceivable that a group of investors or, indeed, even a province, could push through a profitable electrical enterprise that in fact would harm environmentally surrounding areas such as coal-generated electrical power.

It is conceivable that short-sighted decisions taken today could cause future generations to pay more for their power than would have been the case if proper regulatory controls were implemented and adhered to. I think that regulation of these exports is clearly essential if the interests of Canadians are to be protected adequately.

I want to go back to the main thrust of the bill, because this bill is very clear in its intent. It is to make the export of electrical energy from Canada easier. We all know where our major customer for that export lies. This bill is to streamline the process. This bill is to harmonize with our U.S. neighbour the process of free trade in electrical energy.

I firmly believe this bill is a pay-off of the Prime Minister to the premier for his support in the election on that free trade agreement. It is a political pay-off.

I know that our U.S. customers have for some time complained about the means that we have of protecting our national interests. They have been trying to get hold of our energy resources for some time. The free trade agreement has finally given them that handle. They have found in the past with the National Energy Board our process of public hearings, of ensuring that there is full debate on whether exports are granted, is burdensome. They do not want to deal with all those details. It is too inconvenient.

Some people have even suggested that the existing process is, in fact, a duplication of efforts. We are not convinced of that on this side of the House. I believe that my colleagues and I are unconvinced that the current process needs to be changed as radically as this legislation intends.

I am concerned also that the changes that are proposed in this bill could undermine the protection that the existing legislation provides the Canadian public in the future, particularly in light of the fact that we are now in a post free trade environment.

I am concerned that this bill could mean that the consumers in the United States could enjoy a substantial benefit at our expense.

When the Reagan administration was negotiating the free trade deal with Canada, its officials, after securing the provisions in the chapter concerning energy, were bold enough to declare that the energy section in the free trade agreement was a major prize in the bilateral trade agreement. The continental market established by the free trade agreement in energy covers almost every kind of energy product: oil, natural gas, coal, as well as electricity.

The accord has now been ratified. That reality came down upon us at the beginning of the year. As a result of that agreement we have now lost the right to use minimum export prices. We have lost the right to tax on exports or to influence export quotas as instruments of national energy policy.

I want to add that the interpreters for the government, when they were involved in the free trade negotiations, said that Canada has no obligation to supply energy to the United States, no obligation whatsoever. But, in fact, when we look at it, the claim is a shoddy play on words.

When we investigate it in detail we see that the deal concedes to the private energy corporations operating in Canada—and I must add including U.S. subsidiaries