

Section 4.—The National Energy Board*

The National Energy Board was established by the National Energy Board Act, 1959 (SC 1959, c. 46) for the broad purpose of assuring the best use of energy resources in Canada. The Board is responsible for the regulation in the public interest of the construction and operation of oil and gas pipelines subject to the jurisdiction of the Parliament of Canada, the tolls charged for transmission by such pipelines, the export and import of gas, the export of electric power and the construction of those lines over which such power is exported. The Board is also required to study and keep under review all matters relating to energy within the jurisdiction of the Parliament of Canada and to recommend such measures as it considers necessary or advisable in the public interest with regard to such matters. The Act also authorizes the extension of the export and import provisions to oil upon proclamation by the Governor in Council. The Board, which reports to the Minister of Trade and Commerce, consists of a Chairman, a Vice-Chairman and three other members.

The Act was given Royal Assent on July 18, 1959, the members were appointed by Order in Council on Aug. 10, 1959 and the Act came into force by proclamation on Nov. 2, 1959. The Act supersedes the Pipe Lines Act, formerly administered by the Board of Transport Commissioners for Canada, and the Exportation of Power and Fluids and Importation of Gas Act, formerly administered by the Standards Branch of the Department of Trade and Commerce. Provision was made in the new Act for the continuation or re-definition of authorizations issued under the two previous Acts, and in 1960 the Act was amended to extend to Dec. 31, 1961 the duration of licences to export power issued under the Exportation of Power and Fluids and Importation of Gas Act unless earlier replaced by a licence issued under the National Energy Board Act.

While the Board continued during 1962 (its third year of operations) to give detailed attention to the implementation of the National Oil Policy (announced by the Minister of Trade and Commerce on Feb. 1, 1961), it expanded its activities in each of the other areas of responsibility assigned to it by statute and outlined below.

The National Oil Policy sought the co-operation of the oil industry in achieving a series of target levels of Canadian production of oil and natural gas liquids to attain an average daily output of 640,000 bbl. in 1961 and 800,000 bbl. per day in 1963. These targets were to be achieved by the increased use of Canadian oil in domestic markets west of the Ottawa Valley and by some expansion of export sales, largely in existing markets that could be reached through established pipelines. Under the policy, importers of crude oil and petroleum products were required to report their imports to the National Energy Board which, in turn, was required to evaluate the contribution of individual companies to the production targets and to report periodically on the progress and development of the program. Although no specific target was established for the year 1962, production of crude petroleum and natural gas liquids by the end of that year reached approximately 732,000 bbl. per day, an increase of over 12 p.c. for 1962 and one comparing favourably with the rate of growth during 1961. In 1962 as compared with 1961, a significantly greater proportion of the production gain was attributable to growth in the domestic markets. Moreover, with the exception of minor volumes for special purposes, imports of crude oil into Ontario in 1962 were virtually eliminated, while imports and transfers of products of foreign origin into Canada west of the Ottawa Valley were further reduced. As a result of the National Oil Policy, the rate of growth of imports of crude petroleum into

* Prepared from the report of the National Energy Board for the year ended Dec. 31, 1962. The functions of the Board are given in greater detail in the 1961 Year Book, pp. 1022-1023.