

Prince Edward Island is to receive a federal grant of \$260,000 for a study which has been made on the feasibility of an electrical interconnection between P.E.I. and the Canadian mainland. He went on to say:

The Prince Edward Island study has established the technical feasibility and economic viability of a proposed submarine cable electrical interconnection from P.E.I. to either New Brunswick or Nova Scotia.

What is not stated, however, in light of the conclusion of that study, is when we might expect to have some decision as to action. If the Prime Minister wonders, as he did in his long soliloquy of despair today, why it is that this government deserves to be defeated, here is just one other example of the kind of inaction that has existed for far too many years—because the proposal for a submarine power cable did not suddenly spring fully formed out of the first ministers' conference in January; it was a long-term consideration dating back to the sixties. When in 1969 the proposed P.E.I. crossing project was scuttled, so also was scuttled the proposed submarine power cable.

If the decision is to be taken in the near future, such cable could in fact be in operation by the end of next year at a cost, I think, of not too much more than \$10 million. The importance of this power cable, tying in, hopefully, to the maritime power grid, is hard to overestimate, because not only are we thinking here in terms of consumer costs, which of course are basic in this day and age of rapidly mounting inflation, but there is the hoped for expansion of secondary industry related to our primary industries of farming and fishing.

It is unfortunate that some of the electricity that may be generated either from the new nuclear power station in New Brunswick or from developing hydro possibilities either in New Brunswick or Labrador is talked of in terms of commitment elsewhere, particularly to the United States. It would seem to me to make much greater sense if the power that is generated could be available, by use of a submarine power cable, both to the residents and to the industry of Prince Edward Island.

I want in particular to point to the effect that has already occurred as a result of power costs. First of all, in comparison terms, residential electrical costs in Nova Scotia were around \$13 a month. Up till December of last year they were around \$15.80, or close to \$16 a month, but have since jumped to \$19, \$19.50 and show signs of approaching well over \$20, up to \$25 a month, on an average basis. This gives some idea of the double hardship that exists for people on Prince Edward Island.

When the Minister of Finance (Mr. Turner) talks about alleviating the impact of inflation, he has certainly not given much consideration, nor unfortunately has the Minister of Regional Economic Expansion (Mr. Jamieson), to the continued impact of high electrical costs for the province of P.E.I. I hope that we have some answer this evening from the parliamentary secretary, both with regard to an interim formula of adjustment to equalize power costs in Prince Edward Island and, more particularly, regarding a long-term solution through the building of a submarine power cable that will satisfy the long-term electrical needs of that province.

**Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, the hon.

### *Adjournment Debate*

member's question relates to the possibility of subsidizing oil used for generation of power, equalizing the cost of electrical energy in Prince Edward Island, presumably with mainland New Brunswick and Nova Scotia costs, and the proposed interconnection of P.E.I. with the mainland via a submarine power cable installation.

In regard to the subsidization of oil, it is fair to say that the government has carefully considered representations by Premier Campbell submitted at the first ministers' conference in January, 1974, but is not inclined to adopt such a proposal in view of the financial burden it would impose. If such a program were to be adopted, it would be manifestly impossible to confine it to P.E.I., notwithstanding the fact that P.E.I. is 100 per cent dependent upon imported oil for power generation.

While the cost in respect of P.E.I. might be considered to be relatively modest, lying in the range of \$3 million to \$7 million per annum to maintain oil at \$3 a barrel, versus a national or pegged price in the range of \$6.50 to \$8 a barrel, hence a subsidy of \$3.50 to \$5, the total national cost would range between \$50 million and \$200 million per annum. The provinces of New Brunswick and Nova Scotia would each become eligible for subsidy, New Brunswick about twice that of P.E.I. and Nova Scotia about eight to ten times that of P.E.I., and by 1976 Ontario will have an oil-fired plant in service that would command a subsidy of some \$80 million on the basis of \$5 a barrel.

Concerning the proposed submarine power cable, this project has been under active study over the past year and there seems little doubt that there will be a decision at an early date to proceed with the project for commissioning in 1975. This project is eligible for federal financial support to the extent of a federal loan for 50 per cent of the capital cost of the project, plus a grant of 50 per cent of the investigation study costs, a portion of which—\$188,852—has already been paid to P.E.I. The possibility of additional federal financial assistance through the Department of Regional Economic Expansion is under consideration.

There is no program designed to equalize the cost of electricity in P.E.I. with the cost in New Brunswick or Nova Scotia. However, interconnection with the mainland via the proposed cable will give P.E.I. access to a source of electrical energy, including nuclear generation, that has a degree of economy, stability and security considerably greater than is likely to prevail if the island were to remain dependent upon isolated on-island generation and imported oil.

### **PUBLIC SERVICE—REQUEST THAT \$500 SALARY INCREASE GRANTED EMPLOYEES BE GIVEN TO THOSE NOW RETIRED**

**Mr. Mark Rose (Fraser Valley West):** Mr. Speaker, I am pleased to be speaking tonight on what probably will amount to the coda of this parliament. I have a great nose for news, as I always come along to make my speeches when the old pundits have left the gallery, those loyal representatives of the Canadian press. If it were not for the Canadian press I do not think many speeches in this House would be recorded. I just had a small conversation with the Minister of Finance (Mr. Turner) who said he could not be here but tomorrow he would read every word