

Energy

to establish those standards but to make sure they were adhered to. Part of the problem may be that in some parts of the country the emphasis on inspection has been left to the industry itself, with the result that a number of sub-standard insulations have been put in place. I do not intend this as a reflection on builders and electricians, but this is a part of the argument one always has to make on the necessity of doing a good job of insulation when using that form of heating.

A few years ago, when the price of oil was relatively low, anyone who was not particularly interested in putting up a quality building or insulating to a high standard, installed oil heating. Today, as the price of oil keeps rising, we realize that it might have been better to have insisted on electric heating standards in the case of all types of fuel.

I hope the government will adopt a suggestion I have made on two or three occasions that consideration be given to providing some type of tax write-off in respect of energy conservation equipment such as is presently available in connection with devices designed to ensure a better environment. Industry has available to it a preferred tax position in respect of money spent on equipment to diminish environmental threats. Many times this equipment has worked against the best interests of conserving energy sources. It might well be in the best interests of the energy situation to extend an equivalent tax concession so that a company trying to conserve energy would gain the same tax advantage as one installing equipment to handle an environmental problem.

Part of the problem we face today is the high wastage of energy by industrial users. Those who are concerned about this energy loss and who wish to make their plants more efficient find it difficult to purchase any equipment of proven reliability. The government could play a useful role here by stimulating this sector; perhaps this could be done through assistance in development costs. In my opinion such a policy would pay off handsomely. Indeed, in the final analysis the government might well find itself in a plus position.

One only has to look at the situation in the commercial sector where energy conservation equipment is available "off the shelf". We are finding now that when any commercial building of importance is constructed in Canada consulting engineers and architects instal such equipment as a basic feature of the building. This is not the case in the industrial sector, however, although industry uses close to 50 per cent of all the energy consumed in Canada.

The case for the development of tidal power as a source of energy in the maritimes has been raised on a number of occasions. I believe the first debate I attended in this House was on that subject. I did not know much about it at that time but I spoke in favour of it, and I am glad to learn that a significant study of the prospects of such a scheme has now been completed. My hon. friend from Wellington has a far better background in science than I have, and I believe he will be making some comments on the role he sees for energy development in that sector.

Nuclear energy is one of the relatively short term answers. I noticed in the question period today that members on the other side of the House were expressing a good deal of opposition to the nuclear option. I rather feel they over-estimate the problem associated with the CANDU

[Mr. Milne.]

nuclear system. Had the nuclear option been put in place two years ago when the rise in oil prices first became apparent, it seems to me the maritimes today would be in a much better position. One thing which is overlooked very often is the fact that though the initial cost of establishing a nuclear plant is high, once they are in place the cost of production is extremely low—the cost of the uranium which is used can probably be doubled without causing the cost of the energy produced to rise more than 10 per cent.

The Acting Speaker (Mr. Turner): Order. It being six o'clock I do now leave the chair until 8 p.m.

At 6.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. James A. McGrath (St. John's East): Mr. Speaker, during the course of the debate today one has had the tendency to get the impression that the energy crisis in the Atlantic provinces is confined primarily to two provinces, Nova Scotia and Prince Edward Island. That, Sir, is just not the case. First of all, the magnitude of the problem stretches into every part of the region. For example in my own city of St. John's consumers are now paying the third highest energy costs in the country, and that in a province that has been blessed with an abundance of hydro resources.

The island of Newfoundland, as distinct from the whole province which takes in the great territory of Labrador with its vast storehouse of energy, depends on sources other than hydro—primarily thermal sources—for approximately 44 per cent of its total energy. That, of course, explains why energy costs are escalating in the island part of the province of Newfoundland. Indeed at the present time there is before the government of Newfoundland an application by the power companies for still further increases in power rates.

The principal hydro development in the province initially received a grant from the now defunct Atlantic Development Board which made possible the development of the great watershed of Baie d'Espoir, producing a total of 450 megawatts, which brought the total capacity of the island part of the province by 1970 up to 762 megawatts. All sources today within the province provide approximately 1,062 megawatts of energy.

The second biggest single source of energy in the province comes from the Churchill Falls power development. This great development has an approximate capacity of 34 billion kilowatt hours, by far the largest hydro power development in the world outside of the U.S.S.R. However, the bulk of the Churchill Falls output is locked up in a 65 year contract with Hydro Quebec, and in my estimation that contract has to be the single biggest sellout of energy resources in the history of Canada.

To give you some idea, Mr. Speaker, of why I say that, about the deal with the province of Quebec for hydro power from Churchill Falls works like this: for a fixed period of 40 years, with an extension of 25 years, all power