

The Address—Mr. Gillespie

indicated, we need to work out the fiscal terms with Alberta and Saskatchewan which will ensure the development of a third tar sands plant and which will encourage and ensure the development of future heavy oil plants. Of the ones that I have mentioned, clearly there should be one in Saskatchewan. The Saskatchewan government has already expressed an interest in that and Petro-Canada is discussing the project with them. Two more could be started too in the Cold Lake project and perhaps another one in Alberta.

Through its budget, the government has already provided fiscal incentives for more heavy-cost exploration in the far north. I believe that Petro-Canada can play a useful role with respect to a heavy oil plant, as I have indicated, and I think Petro-Canada can also play a useful role in helping to develop the market for natural gas in Quebec. Let us face it: if we are going to reduce our dependence on foreign oil, we shall have to do it in many cases by substituting natural gas for foreign oil.

There are other legislative initiatives which the government will be undertaking. I have already mentioned the oil and natural gas act. There will also be the northern pipeline bill which will be placed before us. Much can be done through the establishment of the maritime energy corporation, a corporation in which the governments of the maritimes and the federal government would participate. I see it as being absolutely essential to the planning, future development and co-ordination of major energy projects in the Atlantic area.

Mr. Speaker, I believe there has been agreement, as was mentioned by the Tory House leader a short while ago, to permit me to complete my remarks, which will only take a few more minutes. I would appreciate your ruling.

The Acting Speaker (Mr. Turner): Is it agreed that the minister continue until he completes his speech shortly after one o'clock?

Some hon. Members: Agreed.

Mr. Gillespie: Thank you, Mr. Speaker. I mentioned the legislative initiatives that the government will be undertaking. I have referred to the maritime energy corporation as being key to the development of the whole future of the energy supply situation in the maritimes and, indeed, could be a significant factor in export sales as well in the exporting of surplus power. I would say to the hon. member that the maritime energy corporation is absolutely essential to the development of Fundy tidal power, because that project will be too big and will have surplus energy. We have to find a way of bringing the various interests of the maritime provinces together, and I believe that through the corporation this could be achieved. That will be one of my priorities in the coming months.

I believe there is a role and a possibility of involving the federal government in equity financing of some of these projects. I do not want to raise the expectation that the federal government is prepared to put large amounts of equity financing into them, but I am saying that we are prepared to consider equity financing. In the past we have looked at the

[Mr. Gillespie.]

financing of major energy projects solely in terms of loans. That would make it possible to bring some of these projects to fruition.

I believe hon. members would want the government to continue, despite the initiatives of certain opposition members who at least cast doubt on the importance of our export policy on uranium. Indeed, in the question period today it was quite clear that there is a major contradiction in their policy with respect to the export of minerals. The government will continue to place pressure on conservation projects all across the country.

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Consistent with the home insulation program, which has now been recognized as the leading program of its kind in the industrialized world, we will be active in exerting pressure for higher insulation standards in new housing. We will be extending our activities and our initiatives to the industrial side, as well, with respect to such successful programs as the energy bus program, which uses a computer and which is of major assistance to small business. This has been tried out very successfully in the maritimes. Agreements are being negotiated at the present moment with a number of provinces with respect to that program. We will be offering the Enersave program to a wider constituency as well.

The government will be placing increasing importance on research and development of energy, particularly renewable energy, and conservation. We will be increasing our budget this coming year by \$15 million. This represents more than a 10 per cent increase in the total energy budget of the government for the next fiscal year. Almost all these moneys will be directed toward accelerating the high priority areas of renewable resources and conservation. Increased sums will be available for the demonstration of solar, space and water heating, and for technological development in the budding solar industry. We hope to have a significant demonstration project at the Rideau Falls, where a number of renewable technologies can be demonstrated.

We also believe that our forests and our forest wastes represent perhaps the most significant renewable energy source, after hydro, in Canada. We will be placing greater importance on combustion and gasification, and perhaps later on forest waste, as a source of synthetic fuels, in our energy research and development. On solar energy, the federal government has adopted the principle that there will be a strong preference for the use of renewable energy sources, specifically solar, in all its building and renovation programs wherever it can be demonstrated that there are no substantial differences in life-cycle costs over conventional sources. That is a significant change in government policy.

These initiatives and policies are capable of contributing very significantly to the solution of our looming energy crisis. They can also collectively make a major impact on the economy in terms of more permanent jobs. They can make a major impact upon improving our balance of payments by reducing our imports and increasing our exports. I referred to maritimes