

*Natural Gas Supplies*

from using natural gas to using coal or electricity founded on more available sources.

● (1540)

[Translation]

**Mr. Gérard Laprise (Abitibi):** Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources concerning the prospecting and discovering of new sources of natural gas.

The minister is aware that important discoveries have been announced at Melville and King Christian Islands in the Arctic. Can he tell the House whether steps are now being taken for their prospection and development with a view to making those sources available to eastern Canada?

**Mr. Macdonald (Rosedale):** Mr. Speaker, we believe so. As I said to the hon. member for Calgary South (Mr. Bawden), with the last budget and changes in prices, with the establishment of a price increase program over a period of three to five years, we have laid down a stable foundation for the industry, for prospecting and exploration. We trust new sources of natural gas and oil will be discovered in the near future.

[English]

**Mr. McRae:** Mr. Speaker, I have just two questions for the minister. It is clear that we must limit demand, and I would ask the minister if he will take steps to prevent gas companies in this country continuing the practice of marketing and making new contracts for gas, as was done in Thunder Bay in the last few weeks where a contract for 200 houses in a co-operative housing unit was signed by the gas companies. Second, will the department put on the active list or update its consideration of a polar gas line or coal gasification, because of the reserves in the north and on the northern islands, as alternatives to the Mackenzie Valley pipeline?

**Mr. Macdonald (Rosedale):** One of the questions we will want to discuss with the governments of the consuming provinces, such as the government of Ontario, will be with respect to the distribution companies' policies in terms of installing additional gas using capacity. Naturally, we will attempt to direct this to the diversion away from natural gas for new industrial users, but this may indeed also be relevant with regard to the kind of residential use to which the hon. member has made reference.

With respect to alternatives, the polar gas study, of course, continues and the government has a not too indirect interest in its outcome. As a 45 per cent shareholder in Panarctic, we understand that the polar gas group is continuing its work, and we would be prepared to consider support for that work, as an investor in Panarctic, to make certain that that option of gas is also available for Canadians. Coal gasification is one of the areas which has received certain investment, as will be apparent from the task force report on energy research and development. This will be one of the items for future consideration, although perhaps not with the same priority as, for example, the extension of reliance on non-fossil fuel sources.

**Mr. Speaker:** I see several hon. members seeking the floor. I propose to try to conclude the questioning by recognizing the hon. member for Peace River (Mr. Bal-

[Mr. Macdonald (Rosedale).]

dwin), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and the hon. member for Battle River (Mr. Malone).

**Mr. Baldwin:** Mr. Speaker, I will precede my questioning by saying that I strongly favour the bringing down to southern Canada of frontier gas as soon as it is practical and possible, both politically and economically. I am very much in favour of that. But having in mind that the statement of the minister indicated there is a recognition, at long last, of non-dependability of sources of energy and the need for conservation, I want to ask the minister quite bluntly if he is now prepared to discard his present absurd and mythical propositions as to conservation. If not, has he discussed with the Minister of Finance (Mr. Turner) conservation measures such as a proper conservation tax on energy, rather than the somewhat stupid tax involved in the minister's bill today, a tax on machinery and vehicles which use unduly large quantities of energy? Has there been discussion with the provincial ministers with regard to reduced speed limits, in the hope that they will be observed? I see the minister is getting help from the Minister of Finance in this regard.

**Mr. Turner (Ottawa-Carleton):** Just get on with your question.

**Mr. Baldwin:** Does the minister propose providing some true incentives to produce alternative forms of energy, of which there are a great many in this country which is waiting for some form of leadership and guidance from this government?

**Mr. Macdonald (Rosedale):** I am really delighted to have the opportunity offered by the hon. gentleman's question, and I will start off by saying that I welcome his conversion to the importance of conservation in Canada. I recall that when we set out the conservation policy, all his colleagues could do was bawl and jeer and the Leader of the Opposition (Mr. Stanfield) was making wisecracks about underwear.

**Some hon. Members:** Oh, oh!

**Mr. Macdonald (Rosedale):** Now they are converted to the importance of conservation, and I welcome that.

**Some hon. Members:** Hear, hear!

**Mr. Turner (Ottawa-Carleton):** It is a step forward.

**Mr. Baldwin:** I was the one who started it ten years ago.

**Mr. Macdonald (Rosedale):** On the question of speed limits, we approached the provinces in this regard to seek their co-operation. I have to say that the reaction has been negative, but it is my intention to go back to them again for the purpose of persuading them to agree to this. This, of course, rests entirely within the area of provincial jurisdiction but I am glad that we have the support of the hon. gentleman in recommending to provincial governments the reduction of speed limits to 55 miles per hour.

With regard to expenditures on alternative sources, I remind the hon. member, for example, of the program by which we are providing \$300 million for the Point LePreau nuclear reactor to enable the province of New Brunswick