

ments of equal amounts, hence the reference in these particular estimates to \$12.5 million. This is indeed a significant contribution to the project which is taking place in Nova Scotia. As the hon. member will have noticed, it is well above 50 per cent. This government intends to proceed—provided the House endorses this amount—with contributing to the realization of that particular project.

● (2050)

The hon. member asked a question about oil displacement. Obviously, the oil displacement possibility to which the hon. member referred will take place only if the project is a success. If the project were not a success, we would be back at the drawing board, I suspect, and the Tidal Power Corporation of Nova Scotia would be required to develop alternative techniques to use the particular development that will have taken place in the Annapolis Valley. The project is under the direction and control of the Tidal Power Corporation in Nova Scotia.

I am advised that this corporation is a provincial corporation and does not have federal government representatives on the board. The hon. member will understand therefore, that, although I would like to be as well-informed as she is about the details of this particular project, it is essentially a matter which is under the direction of the provincial government of Nova Scotia. I am advised, though, that there is a general agreement providing for federal funding and that federal officials are consulted occasionally about the evolution of this particular project.

As to the specific conditions to which the hon. member referred, I must confess that I am not aware of the details. I will inquire, particularly from the government of Nova Scotia or Tidal Power Corporation, as to exactly what they have done with regard to those conditions and as to what point they are at with regard to this matter. I will be very happy to provide the hon. member with any information I can obtain from the authorities in Nova Scotia. I can tell the hon. member that an environmental advisory board and technical committees will be established to interface with the corporation to ensure that a number of studies dealing with the environment are carried out with the best possible advice.

I am also advised that the particular corporation has committed itself to keep the local public informed and to seeking their views as planning progresses on this project. I am sure that the hon. member will not hesitate to bring this matter to my attention if, for any reason, she were not getting satisfactory information either from myself or from the provincial authority or Tidal Power Corporation.

As to the hon. member's last point concerning the gas pipeline project to eastern Canada, as she may know, and as hon. members no doubt know, by law, reports from the National Energy Board can be either accepted or rejected by cabinet, but they cannot be modified as such. We have received a report from the National Energy Board which has recommended that the natural gas system be immediately extended beyond Montreal to Quebec City. However, with

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regard to the other part of the project, which was an extension to the maritime provinces, the National Energy Board has raised two concerns or objections which they felt should be resolved before considering and approving the extension of the pipeline to the maritime provinces.

The first point involves environmental studies which, in the opinion of the board, have not been fully carried out by the Quebec and Maritime Corporation. It is the view of the National Energy Board that they should obtain better environmental assessments before giving consideration to the Q and M project. They have indicated that, in their opinion, the Q and M Corporation had not carried out sufficient environmental studies. Indeed, we hope that Q and M will proceed as quickly as possible to developing the necessary work in order to ensure that any extension of the pipeline meets our environmental standards.

The second point raised by the National Energy Board was to the effect that the application put forward by the Quebec and Maritime Corporation did not adequately consider potential offshore development. They also stated that there should be an extended pause in order to obtain further information about offshore potential, particularly with regard to Sable Island, and at that point it would be more appropriate to consider the application of Q and M. Then everybody would be in a better position on what would be more advisable, whether the gas pipeline should be built from Quebec City to Halifax with immediate reversible capacity, or whether in the end gas would be flowing, not from west to east but, instead, the happy development of natural gas flowing from east to west.

These are the reasons which are given by the National Energy Board in their report to the government. The government has considered that report and has accepted it. As I indicated, as a government we had the option of either rejecting the report or accepting it. We have accepted it, and this means that at least part of the pipeline, that part from Montreal to Quebec City, can be undertaken without further delay. We still consider the maritime extension of the pipeline a matter of high priority.

We indicated in the Speech from the Throne that the government favours the earliest possible construction of a natural gas pipeline to Quebec City and the maritime provinces. We indicated that we were awaiting the report of the National Energy Board on this project. Naturally, I would have been happy if the recommendation had been to proceed immediately with the extension to the maritime provinces.

I raised this issue with the premier of Nova Scotia last week and with the officials and ministers of New Brunswick. I must report that the New Brunswick government has indicated before the energy board, and reiterated last week, the concern that things are proceeding too fast and that there is no time to examine all the alternatives available to the pipeline itself. The government of New Brunswick wanted to be sure that any pipeline that was built would indeed bring to the consumers of the maritime provinces an alternative to oil, that that alternative would be the most efficient and that they would not pay