

from oil to gas or electricity. We will subsidize those conversions up to a maximum of \$800, thus paying 50 per cent of the costs. Still, before going ahead with this program we must negotiate its details with the various provincial governments, but the province of Quebec is being reluctant in some respects. There are no problems, they agree, with regard to conversion to gas but where conversion to electricity is concerned, that is, conversion from oil to electricity, the leaders of the Quebec government are being difficult because they know full well that if a larger number of Quebecers convert to electricity, the province will then have less electricity to export to the United States. At the present time, the province of Quebec, through Hydro-Quebec, is selling its electricity at roughly the domestic price for other Canadian energies. In other words, in Quebec it now costs about the same, give or take a few dollars, to heat one's house with electricity, oil or gas.

In December, the cost of fuel oil may be a bit higher than that of electricity, but when the price of the latter goes up by about 12 per cent in January, it may cost slightly less to use fuel oil than electricity. Be that as it may, prices are now about the same, and thus electricity is sold in Quebec at the domestic price. But if Quebecers consume less electricity, then Hydro-Quebec can sell it in larger quantities to the United States at world prices. I recently had a conversation with the Quebec minister who told me he thought that market would bring the province of Quebec about \$1 billion in the next few years.

Personally, I feel that opposing the conversion of oil heating to electricity is being dishonest toward the policies of the Canadian government, as well as those of the government of Alberta, because in so doing, Quebecers will be allowed to use Alberta oil at a cost price by about 50 per cent lower than the world price thereby enabling the province to export electricity to the United States at world prices. That is therefore extremely dishonest and jeopardizes the Canadian energy policy as a whole.

There is also another factor. If we disallowed subsidies for converting from oil to electricity, some areas in Quebec would be greatly prejudiced, areas like Abitibi, Mont-Laurier, northern Quebec, because the people in the larger urban centres like Montreal, Quebec City or Trois-Rivières will have the option of converting to natural gas because the pipeline will be extended to serve those cities, whereas the distribution system will not reach, at least not for several years, the smaller communities. Therefore, if the government refuses to subsidize alternate conversions, the people in those small communities will be forced, if they want to convert, to pay the full price out of their own pocket.

The Canadian Constitution as it now stands gives the Government of Canada the authority to tax energy resources and to set prices. The government intends to maintain that policy in the new constitution. However, Quebec Premier René Lévesque, who wants separation, says: no, the federal government has no right to tax and to set prices for energy because

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some day it will want to tax the electricity that Quebec sells the United States.

And yet the domestic price of oil is now \$19 a barrel and the international price is \$38 a barrel. In fact, because of this policy of the Canadian government, in the last five years, from 1974 to 1979, Quebecers have had to pay \$9 billion less for their oil than if they had paid international prices. Moreover, if Quebecers now paid international prices for their oil, gasoline would cost nearly \$3 and heating oil about \$2.

This is what Mr. Lévesque is proposing to Quebecers. He suggests that they should pay \$3 for their gasoline and \$2 for their heating oil. I believe that any Quebecer who considers the interests, mostly of his province, but also of his country, will understand that the Canadian policy is very good and benefits all residents of Quebec.

We may also wonder why the provincial government would want us to pay international prices for oil. Perhaps the separatist ideology is behind this suggestion. For instance, if Quebecers were now paying international oil prices, the arguments of those who promote separation would be much more convincing because they would be able to tell Quebecers: If we go tomorrow morning, the price of gas will stay the same because we are now paying international prices and we shall continue to do so. However, the Liberal policy provides the opposite argument and constitutes an obstacle for Mr. Lévesque and his party, and Mr. Lévesque, who already sees the province as a separate state, is willing to sacrifice the \$9 billion that we have already saved Quebecers over the last five years. Moreover, before the last Parizeau budget, there was a fixed tax on gasoline per litre or gallon in Quebec.

In his last budget, Mr. Parizeau applied what I would call an indexed tax in so far as a percentage is charged, and every time the price of oil goes up, the taxes of Quebec consumers increase in proportion, as do the revenues of Quebec, of course. I therefore readily understand why Mr. Parizeau is not interested in lower prices. He indexes tax revenues to oil prices, but he is not interested in indexing personal income tax, which would benefit all Quebec taxpayers.

I sometimes try to understand the philosophy of the Parti Québécois, and I tell myself that if Quebec separated, it would be an independent country which would not have to ask anyone for permission to do what it wants and which could pass its own laws. Moreover, there would be departmental governments or state or provincial governments because the province would be divided in regions like Abitibi, Lac-Saint-Jean, the Gaspé Peninsula, the Bois-Francs and so on, which would be called departments, as in France, or states, as in the United States, and every one of these regions would have an elected government, in addition to the central government in Quebec City. There would be a constitution recognizing the powers of the central government of Quebec and the powers of the regional governments, and if we follow the philosophy of the Parti Québécois, every one of these regions would have the