Energy

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to be fair. However, I point out to the hon. member two things. First, his figures are wrong. The amount of oil which we imported was much less than we exported. We imported around 750,000 to 800,000 barrels a day and exported anywhere from 1.2 million to 1.5 million barrels a day. We exported almost twice as much as we imported.

Mr. Woolliams: It depends on what year you take.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You can take it over the average of years and you get the same answer. Second, by making all of the area east of the Ottawa Valley dependent on imported oil we left that area in a very vulnerable position, and the people of the Atlantic provinces are paying the price today. Incidentally I came to Ottawa with the Independent Petroleum Producers Association of Canada to plead with the government at that time to extend the pipeline to eastern Canada to keep our oil in Canada so that we would be self sufficient against the day we would not be able to get imported oil at reasonable prices.

Mr. Frank Maine (Wellington): At last, Mr. Speaker, at long last someone else besides the federal government has recognized that there is an energy crisis in this country. The day of cheap energy is gone. The House, indeed the whole country, owes a debt of gratitude to the hon. member for Don Valley (Mr. Gillies). However, it is unfortunate that his flash of brilliance did not continue into the second half of his motion where he failed to present some solution to the problem.

The motion under debate, Mr. Speaker, represents another attempt by the opposition to have the federal government come to the rescue because a provincial government has been unable to manage its own affairs. They would have us believe that the skyrocketing price of energy has come as a complete surprise, when in fact the handwriting has been on the wall for at least the last two and a half years.

As has already been pointed out, the responsibility for electrical power generation rests with the provincial governments. It was the provincial governments which decided to burn oil to produce electricity. Security of supply was of less importance than low price in the decision to rely on foreign imports rather than western Canadian crude oil.

While the dramatic price increases which resulted from the actions of the OPEC members could not have been foreseen, the possibility of such action taking place always existed and therefore should have been allowed for. The Atlantic provinces are now paying the price for having chosen the wrong long term option. If the hon. members opposite choose to see a statement of fact as representing a callous attitude, then they are unduly sensitive. The free enterprise system, which they admonish us not to destroy, rewards those who make the right decision and penalizes those who are wrong. Surely no one who loses money in the stock market expects to be bailed out.

The federal government is being asked to bail out the Atlantic provinces now that they are faced with a serious situation. The opposition fails to recognize, however, the fact that the federal government has initiated, during the last two decades, a number of endeavours designed to provide that region with a stable and affordable source of electrical energy.

These have included loans under the Atlantic Provinces Power Development Act totalling $225 million, grants of over $3 million to study the possibilities of tidal power, a loan of $350 million for the Point Lepreau nuclear plant, a grant toward the New Brunswick-Nova Scotia interconnection of $4 million, and a loan and grant totalling $27 million toward the P.E.I. interconnection with New Brunswick. As well, the federal government has contributed $120 million in oil import compensation for the production of electricity. Over-all financial assistance totals more than $1.2 billion.

In a further attempt to stabilize the price of electricity the federal government has pressed the maritime provinces since 1972 to co-operate in an inter-provincial grid and has offered funds to support the establishment of such a network. Another product of federal initiative, Petro-Canada, plans to devote $25 million or 25 per cent of its exploration budget over the next five years to exploration for oil and gas on the east coast. Until the discovery and development of significant reserves, though, the maritime provinces, and especially Nova Scotia and Prince Edward Island, will have to rely on existing energy sources. It will be several years before any alternative sources become available.

Considering Nova Scotia's abundant coal supply it would appear logical to devote a larger amount of that fuel to electricity production in order to decrease reliance on oil. However, this does not provide a short term solution. Problems are encountered in transportation, including the need for sea rather than rail transport, and the upgrading of port facilities. The process of converting generating plants from oil to coal burning would be expensive both in time and money. Problems of air pollution from the high sulphur content coal must also be considered. It may be reasonably assumed that a three to five year lead time would be required before the use of coal would alleviate the problems currently being experienced. As world oil prices continue to rise, coal will look increasingly more attractive. At present the price of coal is tied to the price of oil, but there is no reason why that policy must be continued indefinitely.

Nuclear energy holds the answer to future requirements in the maritimes, but reactors cannot be built overnight. This is where the need for responsible long-term planning becomes very evident. Nova Scotia Light and Power has had an agreement with Imperial Oil Limited since January 1, 1970, and running to December 31 of this year, whereby the utility is guaranteed its fuel requirements at $1.75 per barrel—the cheapest oil in the world right now. Surely it did not take until 1976 for the province to realize that it was in a very favourable position because of that contract.

When it became clear that petroleum prices were rising, steps should have been taken immediately to prevent the situation now facing the population of Nova Scotia and Prince Edward Island. As the Minister of Energy, Mines and Resources (Mr. Gillespie) demonstrated, the price of electricity remained constant in Nova Scotia from 1958 to 1974 while the cost of all other goods and services continued to rise. The province had a responsibility throughout that period to explore possible alternate energy forms,