

Energy Policy

provinces, the rest should be retained in trust by the federal government and paid to the companies as they carry on exploration programs, or it should go to Petro-Canada which would then carry on exploration programs.

Mr. Gillespie: I appreciate the hon. member clarifying his position.

Mr. Benjamin: You weren't listening in the first place.

Mr. Gillespie: He made it quite clear that the funds from such increases should be channelled to governments to be used for exploration. I suppose that is not an altogether inconsistent position for his party to take, because some of the provincial governments have taken positions not unlike that with regard to the taxation of other resources in other parts of the country. I suppose that is particularly true in the case of the province of Saskatchewan when it comes to taxation. The hon. member knows very well the history of the taxation measures of the province of Saskatchewan. On a number of occasions that added up to more than 100 per cent of the revenues from the producing wells. I think the hon. member probably also knows that the result of that taxation philosophy was the choking of any additional investment, exploration or development activity in the province of Saskatchewan.

Mr. Benjamin: That is not true.

Mr. Gillespie: If the hon. member compares the activity in the province of Saskatchewan with the activity in Alberta, he can make a very clear comparison. In Alberta, incentives were provided. A significant part of price increases went to the producers. It provided a cash flow which generated substantial new reserves for the benefit of the people of Alberta.

Mr. Paproski: And Canada.

Mr. Gillespie: Yes, very much so for the people of Canada as well. I suggest to him that the shortsighted view of many socialists with respect to taxation policies will work to the disadvantage of Canada. You can have the most elaborate taxation systems that man can devise, but they are pretty worthless if there is not going to be any oil and no revenue to tax.

● (1620)

The other point he made very clear was his party's position on the pipeline. I suppose I should not be surprised that he should commit his party against a pipeline for the Mackenzie at this time, but I have to admit that I am. The hon. member has a very high regard for parliament, but I can only interpret his position as being in contempt of parliament and in contempt of parliamentary institutions.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What say would parliament have?

Mr. Gillespie: It seems to me when the parliament of Canada sets up the National Energy Board for the purpose of examining applications of this kind, and then one party says,

"Sure, the parliament of Canada set up the National Energy Board to deal with this question, but we know better. We will prejudge them, with all the work they have done over the last 2½ years or more. We are not interested. We have already made up our minds regardless of the facts," that it is contemptuous of parliament.

I believe, also, that the view that we should make a decision before receiving the report of Mr. Justice Berger is an insult to him. It seems to me, when he was given the demanding task of examining the environmental and social questions that are allied to a Mackenzie Valley pipeline, we at least owe him the benefit of receiving it without making up our minds first of all. I say I am disappointed that the hon. member should have jumped the gun on the pipeline issue at this time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, would the minister permit a question?

Mr. Gillespie: If you put it at the end of my remarks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Certainly.

Mr. Gillespie: Let me make it quite clear that the plan for insulation and conservation offered to the provinces of Prince Edward Island and Nova Scotia was to deal with two specific questions and needs. Hon. members will recall that the Premier of Nova Scotia appealed for assistance because electrical energy rates in his province had gone up very substantially and were likely to go up very much more in the near future. He said his province had nearly the highest electrical energy rate in the country. The highest, of course, is Prince Edward Island. When we looked at the situation it was quite clear there was a unique need in these two provinces. Prince Edward Island depended for 100 per cent of its electrical energy on oil; they had no hydro capacity. In the case of Nova Scotia, roughly two-thirds of all electrical energy was generated from oil.

The stated policy of this government which was put forward to parliament in the document "An Energy Strategy for Canada"—Policies for Self-Reliance" was to reduce our dependence on foreign oil. That was the goal. Clearly, there was a question of national interest on the problem that these two provinces had to deal with—their heavy dependence on foreign oil. When we looked at the situation it seemed to us that the most appropriate way of providing assistance to Nova Scotia and Prince Edward Island was to do it in a way which would be fully consistent with the strategy of reducing our dependence on foreign oil. If we had accepted the proposal of the Premier of Nova Scotia to provide subsidies, we would have been going counter to that particular objective for Canada because we would have been subsidizing the continuation of the greater use of oil indirectly. The proposal we put forward for insulation in a typical home will provide savings in one year greater than the additional cost of electrical power for one year. Not only is it an advantage on a one-year basis, but it is a permanent advantage to home owners in Nova Scotia and Prince Edward Island. The saving continues from year to year, whereas any other kind of assistance, such as a subsidy,

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]