

*Adjournment Debate*

Nova Scotia Power Corporation has not yet signed a contract, which amounts to an open-ended one with the major contractor. Our party in the province has demanded, and rightfully so, a special public investigation of that project.

The minister has, from time to time, also mentioned other criticisms of the Nova Scotia government's energy policy and energy conservation policy. I am not really interested, Mr. Speaker, in any squabble the minister has with the Nova Scotia government, or the Nova Scotia Power Corporation, and who said what or who should have done such and such. The major reason for an interim subsidy for Nova Scotia is because the power rates have increased 50 per cent last year and will likely average another 50 per cent this year.

Thus it is of great importance for the federal government to give an interim subsidy of \$15 million to \$20 million a year for the next four or five years. This is the best way to keep the low income groups from being tagged with too heavy a payment for power costs. The federal government should insist that any subsidy be used to relieve the bills of low and middle income people. After all, the AIB does not control the sales taxes and the property taxes and other types of licensing services, which are increasing in a very real way for these people.

The need for the subsidy has to be related to the general effects of the federal restraint program on Nova Scotia, where there is now some 10.8 per cent unemployed and where there is increasing unemployment, even in the relatively well-off Halifax metropolitan area. Unemployment in Cape Breton Island is about 20 per cent now. It is a national scandal to see people running out of UIC benefits and forced on welfare, and with LIP grants slashed and no major job schemes in the offing. We in Nova Scotia and the Atlantic region are generally, along with Quebec, paying a proportionately higher price for the government's attempt at stability through the restraint policy than any other provinces of Canada.

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, I welcome this opportunity to respond to the hon. member for Cape Breton-East Richmond (Mr. Hogan). He and I both have similar interests in protecting those Canadians who are least able to protect themselves from the high cost of energy. Indeed the government's policy has been to protect all Canadians from the massive increases of 1973 and since and, as far as possible, to protect them with respect to the possible forthcoming increase next January.

The government has moved up the price of oil in Canada in measured steps significantly below the international price. Indeed the international price is approximately 50 per cent higher than it is in Canada and, I am pleased to say, no group

of citizens has benefited more from this policy than the citizens of Nova Scotia and the Maritimes.

The hon. member asked me to confirm whether or not the figure of \$1 billion was correct. I can confirm that by the end of this year it will be very close to \$1 billion for the four Atlantic provinces, and that the highest per capita assistance has been to the citizens of his province.

He also referred to the automatic increase with respect to equalization payments. There would not have been close to \$10 million increase in the equalization payments this year if it had not been for one reason, that is, the increase in the price of oil which was to provide, under the terms of the federal-provincial arrangements, an equalization strictly related to oil, and \$10 million is the increase which the province of Nova Scotia will attract for purposes of generating electric power from oil.

In the last minute or so I have and I would like to make one or two other points. The hon. member has suggested that there is some degree of symmetry between the costs of the excise tax on the one hand, the export tax on the other hand, and the oil import compensation. I would point out to him that virtually all government expenditures are met out of the Consolidated Revenue Fund and it is not usual to attribute particular revenue streams to particular uses. This principle holds good for the oil import compensation program. Indeed if he goes back over the years he will find that revenues from the two sources I have mentioned have not been sufficient to meet the expenditures of the oil import compensation fund.

Second, I do not think he recognizes that the excise tax was also introduced as a conservation measure, a disincentive to the wasteful use of energy which for too long has been regarded by Canadians as cheap and therefore to be wasted. I do not think, in other words, that he can make the argument that if there is a temporary surplus during the course of a fiscal year, that is any more reason to expect a reduction or an additional payment. If that principle were adopted, the federal government during that period of the year would have to provide some kind of tax reduction because the national accounts were in temporary surplus.

**Mr. Deputy Speaker:** Order, please.

**Mr. Gillespie:** I think we have to look at the whole oil import compensation fund in a much longer time frame than the hon. member has mentioned.

**Mr. Deputy Speaker:** Order, please. The minister has gone beyond his time.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.