

Energy

system for which the federal government has a responsibility. There are demonstration houses in various provinces such as Prince Edward Island, Nova Scotia and Saskatchewan, which have a super-energy saving of 70 per cent. We should move toward implementing building codes across the country in co-operation with the provinces to ensure that these savings are effected in the case of new houses. Task forces should be set up in other areas, such as that of commercial buildings. There is an opportunity for tremendous savings there.

This afternoon the minister indicated a number of initiatives which the federal government has already taken, major initiatives in the energy field like the pre-build of the Alaska pipeline the Quebec City pipeline, the increase in the PetroCan budget, solar energy and technology development policy which was recently announced, and an increase in the EnerSave program. All this, of course, is without even getting into the major policy statement which the minister will make later this month.

I want to mention two other important programs announced by the minister a few weeks ago. In the oil substitution program, the federal Liberal government has set a goal involving a very substantial reduction in the use of oil by industry and other major users. This would mean a substitution from oil to gas, electricity and renewable energy resources. If this program is implemented, over the next few years the saving across the country will be 375,000 barrels of oil per day. That is equal to two tar sands plants, or \$12 billion. It would be a tremendous saving to the country, utilizing natural gas, electricity and renewable resources which are in good supply rather than crude oil which is in short supply and is rising in price.

Likewise, the policy announced by the minister to upgrade residual oil is a tremendous policy. Much of this residual oil is now used inefficiently and should be replaced by other sources such as natural gas. Much of it is exported. With a capital investment of \$3 billion, we could effect a saving of 125,000 barrels of oil a day, the equivalent of one tar sands plant. With a capital investment at various refineries across the country of \$3 billion, we could save the equivalent of a \$6 billion tar sands plant.

These are some of the actions the Liberal government has taken in its determination to build an energy policy that is fair to the consumer, the producers, the provinces and the federal government. When the full policy is announced later this month by the Minister of Energy, Mines and Resources, I am sure it will be apparent to every member of this House that there is no substance to the opposition motion placed before us today.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, in participating in the debate tonight, I congratulate my colleagues from all parties who have taken part with vigour, and in some cases, understanding. I thank the participants for the arrangement which allows me to participate this evening.

The problem of the Atlantic provinces has, regrettably, been featured for many years by high unemployment and regional disparities. The aspect of regional disparities is recognized in

many ways. One is that the many segments of our labour force, Canadians who live in Atlantic provinces, earn two-thirds of the wages that are paid in other parts of the nation.

One of the reasons for the slender and fragile industrial component of our economy in the Atlantic provinces is the high cost of electrical energy. Prince Edward Island has the dubious distinction of having the highest energy rates in Canada. The number two position is held by Nova Scotia. The other two Atlantic provinces fare a little better but because of their dependence to a great degree on oil-fired thermal plants they are closing the gap at a rapid rate.

Clearly what we need in Atlantic Canada is a blueprint which integrates the efforts of governments and government departments at all levels, along with the private sector and the labour movement, in arriving at a strategy to resolve these difficulties and formulate a program for moving forward progressively to see that the ingredients of regional disparity are erased once and for all.

Another feature of regional disparity is that one-half the total revenue of the governments in the Atlantic provinces comes from Ottawa. This is a reflection on the ability of the economies to generate the dollars needed to carry out basic fundamental government services. One feature of any such blueprint has to be an enlightened energy policy, particularly in the field of electric energy which is the lifeblood of our industrial economy in Canada, most certainly in Atlantic Canada.

A principal and fundamental element of any such policy has to be the ability of governments in the Atlantic provinces to use economies of scale in the creation of thermal electrical producing facilities. To do this we in the maritime provinces have interlocked our electric energy systems by submarine cable between Prince Edward Island and New Brunswick, and by high voltage transmission lines between Nova Scotia and New Brunswick.

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I view with regret the fact that the Maritime Energy Commission really did not get off the ground, because it would have been a vehicle to supply a pool creating a larger market which would permit us to use economies of scale in building more efficient thermal generating plants. The Maritime Energy Commission, had it got off the ground, would have provided a natural financial vehicle to enable us to move forward with the design stage of the great Fundy tidal power development facility which has been under study and talked about for so very long, and would have allowed the maritime provinces to become the powerhouse of North America.

The spin-off from a development of this nature would attract chemical and metal-based industries on an unprecedented scale, creating good jobs for Canadians living in the maritime provinces. How could we accomplish this with our slender financial resources?

The successor to the MEC may well still achieve this purpose, but what we must have in Atlantic Canada is a solid