

*Supply*

**Mr. Lalonde:** Mr. Chairman, I am very happy to have the opportunity of answering the question raised by the hon. member. I am glad to see that he is such a faithful reader of Liberal policy. Indeed, he read exactly and quite accurately the statement of the Prime Minister.

As I indicated, this government believes that a gas pipeline extending all the way to Halifax and Cape Breton is a matter of high priority. We stated in the campaign, as the hon. member read, that a Liberal government would take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes.

As soon as we received the report from the National Energy Board, immediate consideration was given to it in cabinet. After extensive consideration of the matter in cabinet, a decision was rendered today to accept the conclusion of the Energy Board report as a first and major step in the realization of the full pipeline about which the hon. member talked.

● (2130)

The hon. member will realize, once he has had an opportunity to consult, the reasons for the decision of the National Energy Board. I recommend to him particularly pages 6-127, 8-49, and 11-6. He will see, for instance, that the government of New Brunswick, as I indicated, has expressed some concern about, in particular, the environmental and economic aspects of this project. The Energy Board has suggested, as I have indicated, that further examination be made of the environmental aspects of this project and also that consideration be given to the economics of offshore natural gas. As far as the government is concerned we are asking Q and M to carry on those environmental studies as expeditiously as possible so the people of the maritimes are assured that there will not be serious damage to the environment by the construction of this project.

In the second place, we intend to study ways and means, with the corporations concerned, to determine whether the exploration off Sable Island could not be accelerated in order that as soon as possible we might be in a position to make a final decision on the realization of the whole pipeline. We are determined there will be no lessening of our drive to convert Atlantic Canada from oil, but we want to do this in co-operation with all the provinces concerned—I do not think we should run roughshod over any province in a matter as important as this. We should also make sure that this is the best decision for the residents of the maritimes.

As I said, we are attaching a very high priority to this question. We are determined that the pause which is being requested by the Energy Board will be as short as possible, and we intend to do everything we can to see to it that the short time taken in obtaining the information which is required will not result in a delay in scheduled delivery of natural gas to the maritimes.

**Mr. Crouse:** I thank the minister for that answer. For his information, I have been reading the National Energy Board's

decision of May 15. There are some interesting contradictions in that report as, I am sure, he will agree. For example, I find one on page 11:

The board wishes to stress that Q and M has not satisfied the Board that the pipeline could be constructed in an environmentally acceptable manner.

I could not help but wonder why this would be so. Then again, I note at the bottom of page 11-10:

The board believes that the evidence adduced on offshore resources raised significant uncertainties as to the configuration of the Q and M pipeline and the board is not satisfied that the pipeline facilities proposed to be built and operated by the Q and M are and will be required by the present and future convenience and necessity.

That statement raises considerable doubt in my mind, despite all the promises made by the Prime Minister and the minister of energy, that we shall ever see this natural gas pipeline in Halifax. So I should like to know, and perhaps the minister can give me an idea, how many millions he estimates it will cost to cushion Nova Scotia's electricity costs against rising oil prices, say, for the next seven or eight years, since we are dependent on expensive foreign oil for the generation of something like 70 per cent of the energy required by industries in Nova Scotia. How much does the minister estimate this is likely to cost, and where does he believe the money will come from?

**Mr. Lalonde:** On the subject of the pipeline itself, the hon. member has quoted a certain section of this report, but I might point out that the report goes on to mention that the information obtained from the east coast offshore areas should determine what type of pipeline ought to be built later on. As far as the environment is concerned, the hon. member was wondering on what basis the Energy Board was making its conclusion. Surely, it was making it on the basis of the evidence which it had received. But it is interesting to note that on page 6-127 ten different, specific areas are mentioned about which the board is requesting Q and M, the Quebec and Maritime Corporation, to come up with environmental studies and additional information. So there are numerous areas where it appears to the board that further environmental information is required.

As to the point raised by the hon. member concerning oil-generated electricity, he is quite right in saying that the cost is high. He mentions that the high costs result from the need to import oil supplies. However, I am sure he knows that this imported oil is paid for by all Canadians, thanks to policies established by a Liberal government in 1974. Consequently, Canadians are paying for their oil a price which is well below the world price or the international price or the price of imported oil, and the citizens of Nova Scotia are benefiting from this national policy of a single price for all Canadians below the world price. We have fought for this policy. We campaigned in the last election for this policy, and I hope we will get the support of the hon. member's party, or, at any rate, of members of his party coming from the maritimes, for our policy which aims at establishing a price in Canada which is not tied to world prices.