

*Energy*

Third, we will be mounting a major effort to ease the burden of adjustment to higher prices in the Atlantic region. We will provide grants to compensate for the additional costs of electricity generation resulting from oil price increases in excess of \$2 per barrel per year.

By the end of 1981 the increase will amount to \$10. Under the Crosbie budget we would have had a cushion, and I would remind the hon. member opposite who is from the Atlantic provinces of this fact.

The next passage from the Crosbie budget that I want to put on record is as follows:

In addition, the refundable energy tax credit I announced tonight when in full effect will return about \$1 billion to lower- and middle-income Canadians. The credit will commence with the 1980 tax year. It will be phased in to reflect the fact that the full impact of energy price increases is not felt until later next year. One half of the benefit will thus be claimable in 1980, with full benefits claimable in 1981 and subsequent years. Credit benefits will be reduced for families with incomes over a threshold amount. For 1980 the threshold is \$21,380. For every \$100 of income in excess of this threshold, benefits will be reduced by \$5.

As has been indicated by other speakers today, when the plan was in effect the full benefit would have amounted to about \$220 each year per family. I suggest that would be a significant change.

Just the other day an advertisement in the newspaper invited people to convert from oil to gas. If the minister were in the House I would suggest to him that we do not have any "bananas" in Atlantic Canada yet. What are people such as my parents and thousands of other Atlantic Canadians who are on fixed incomes, or incomes that are significantly lower than the Canadian average, supposed to do, Mr. Speaker? Their incomes are lower now, have historically been in the past, and because of the absence of effort or concern on the part of this government probably will continue to be in the future.

I should like to turn now to the matter of electrical energy. Prince Edward Island is probably the lowest user of domestic electricity in the country. The average use per family is about 6,000 kilowatt hours. Before the recent increases, the cost was \$292.64 per 5,000 kwh; in British Columbia it cost \$85.27. Northwest Territories was less than Prince Edward Island at \$261 for 5,000 kwh; Newfoundland, \$245; Nova Scotia, \$221; Yukon, \$201; New Brunswick, \$171; Ontario, \$145; Quebec, \$160, Manitoba, \$133, Alberta, \$132 and Saskatchewan, \$122. These are figures obtained from Statistics Canada, Mr. Speaker. Prince Edward Island uses roughly 6,000 kwh per year; Nova Scotia, 8,500 kwh; Ontario, 10,000 kwh, and so on across the country.

There is one significant point that gives us concern about the cost of energy and the need for cushioning, Mr. Speaker. The Nova Scotia Power Corporation urged Nova Scotians to convert from oil to electricity a few years ago and thousands of people did so. Today an all-electric home uses something in the order of 30,000 kwh on an annual basis. I should like to draw a couple of conclusions from that.

The cost of operating an all-electric home ranges between \$1,400 and \$1,500 per year in Nova Scotia; in Ontario it costs \$870; British Columbia, \$510, or about one third of the cost in

Prince Edward Island which is virtually totally dependent on oil for generating electricity and where the figure rises to about \$1,800 per year. This is killing Atlantic Canada. Some way has to be found to cushion the cost of domestic electricity. It is not really a question of lowering demand on a volunteer basis. I suspect that Canadians everywhere, with just a slight effort, could reduce their annual demand to zero growth and with a greater effort could reduce it to minus 5 per cent or minus 6 per cent on an annual basis.

The pricing policies and energy policies of the government do not allow Atlantic Canadians to take that route voluntarily; it forces them to reduce consumption of electricity by 30 per cent, 40 per cent, or 50 per cent because they bloody well cannot afford it! They cannot pay two or three times the national rate for domestic electricity and live comfortably if they are on fixed incomes. That concept did not work yesterday and it will not work today.

There are two things that I think we must keep in mind as we debate this subject, Mr. Speaker. First of all, I should like to know when Nova Scotia, New Brunswick and Prince Edward Island will have an opportunity to harness the tremendous electrical potential of the Midas Basin. They have done so much to help that area of the country, but now the government is backing away from the idea. I put the question to the hon. member for South West Nova (Miss Campbell), who is the only maritimer opposite, why is the government backing away from this? It is the one chance for energy security in the long term. It is renewable energy and it is clean. In 15 or 20 years coal may be clean, but it is not clean today. Yet our people are forced to turn to it because they cannot afford oil. The government withdraws the subsidies and forces people in the maritimes to find savings in the involuntary restriction of the amount of energy they use! That is true for fishermen, farmers as well as householders and all sectors of the economy that rely on energy.

● (1730)

Our excise tax was aimed at transportation users. Through their income tax, the fishermen could deduct legitimate expenses, as could the farmers and those in the forest operations to a certain degree. We exempted most heating fuels because we knew from experience, and we were concerned, that older Canadians on fixed or lower incomes could not bear the burden that a rise to world prices would cause.

Because of our dependence on oil in Atlantic Canada, we are very vulnerable to an unsympathetic, though I hope not uncaring, Ottawa bureaucracy, the Liberal government policy making process. As with everything, we are hit first hardest and the impact lasts the longest. It takes us longer to recover from this form of insidious taxation.

This is worse in one respect than the Boston tea party. At least some good came out of that. Some measure of progress can be noted from that incident. However, what is there for us? The government says it will not yield in its determination to not cushion exorbitant domestic electricity production costs. Users in Atlantic Canada cannot afford that. Wages in Atlan-