

billion over the next three years. The federal government is anxious to participate in a number of the growth supporting policies being undertaken by western Canadians. We have already indicated a particular interest in the areas of transportation and agriculture, water development and industrial diversification. Cabinet will decide the specific programs to be funded.

● (2120)

### ENERGY

#### QUEBEC & MARITIMES PIPELINE—EFFECT ON COAL MINING INDUSTRY IN EASTERN CANADA

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, I have a delayed answer to a question asked by Senator Muir on October 29, concerning the Trans Quebec & Maritimes Pipeline and its effect on the coal mining industry in eastern Canada.

Honourable senators, the National Energy Board has not carried out any specific study relating to the TQ&M Pipeline's impact on Atlantic Canada's coal industry. The Atlantic off-oil strategy envisions the joint use of coal and natural gas as oil substitutes in a rational manner. The extension of a natural gas transportation system into the maritimes is not expected to have a negative impact on the coal industry; it will only enhance coal's role in achieving an Atlantic Canada independent from offshore sources of oil. Essentially, coal and natural gas will not be competing fuels in the maritime energy market. Coal's use is primarily in the thermal power and steel-making market and some other heavy industry applications. Natural gas will be directed into the home heating market and into the commercial and light industry markets.

#### STATUS OF APPLICATION BY Q & M PIPE LINES TO CONSTRUCT A PIPELINE

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, on October 30 Senator Donahoe asked a question about the status of the application by the Q & M Pipeline.

( *The answer follows:* )

The federal government has clearly stated in the national energy program that it supports a gas pipeline to the maritimes and to ensure its financial feasibility, the government has initiated the following measures:

1. The city-gate price of natural gas in maritime communities will be the same as Toronto.
2. A contingency fund of up to \$500 million will be available to assist in financing the pipeline if it is necessary.
3. Grants of up to \$800 will be available to consumers converting from oil heating to gas heating.
4. Grants will be available to distribution companies to assist them to develop gas markets.

In addition, the National Energy Board has indicated that in its view there would be fewer delays and fewer

legal problems if TQ&M submits a new application for the extension of its pipeline. I understand the TQ&M has indicated to the board that it is prepared to renew its application. The board has stated that it is willing to deal expediently with a new application for a natural gas pipeline to the maritimes, and if a positive board decision is reached by spring of 1981, the pipeline could be delivering gas to Halifax by late 1983 and to Cape Breton Island by 1984.

#### ENERTECH CANADA LTD.—MARKETING OF ENERGY RELATED EQUIPMENT

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, on October 31 Senator Nurgitz asked a question concerning the marketing of products currently sold anywhere in Canada by private Canadian business. His question specifically concerned the marketing of products by Ener-tech Canada Ltd. Since the honourable senator is not in the chamber, I will place the reply on the record.

( *The answer follows:* )

Ener-tech Canada will concentrate on supporting commercial production of renewable energy and conservation technology. It will reinforce the work of Canadian businesses engaged in this field by joint ventures and equity investments to fill the "risk capital gap" and by offering other assistance in commercialization and marketing. This crown corporation may also enter into shared ventures with energy corporations established by provincial governments, or it may undertake commercial production on its own. Wherever necessary, the corporation will carry out research, development and demonstrations.

I would like to reiterate that the main function of Ener-tech is to provide support to the private sector in developing new technologies, not to compete with it.

#### OIL—FORECAST REDUCTION IN EXPLORATION DEVELOPMENT

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, I have a reply to a question asked by Senator Donahoe on November 5 concerning the number of drilling rigs forecast for exploration in Canada.

Although no figures are available for 1981, I am able to report a deployment rate for 1980 of 83 per cent. Honourable senators will realize this is a high utilization rate for any industry but particularly for the drilling industry. The growth of this industry in Canada over the past few years has been impressive. As I have pointed out before, during the next year and a half there will be a number of factors at play which will determine the growth of the drilling industry in this country. However, our national energy program is designed to encourage sufficient exploration and development in Canada to ensure us a secure energy future.

#### NEW BRUNSWICK—HOME HEATING—CONVERSION GRANTS

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, on November 6 a question was asked by