

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the parliamentary secretary but his allotted time of three minutes has expired.

ENERGY—ASSISTANCE PROGRAM FOR ATLANTIC REGION

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, I rose in the House on May 2, 1980, and addressed a question to the Acting Prime Minister (Mr. Pepin) concerning the provision for an assistance program for Atlantic Canada in respect of electrical rates.

Let me explain very briefly the background for that question. In Nova Scotia and other Atlantic provinces, particularly Prince Edward Island, prior to 1974 electrical energy was primarily based on imported crude oil, that is to say, foreign crude oil was used to supply electrical generation to the extent of 70 per cent of the total output in Nova Scotia. The rising price of foreign crude oil in the years following 1974 had an effect on the price of electrical generation to the extent that it escalated prices well beyond those prevalent in other parts of Canada. In fact, in Nova Scotia electrical energy rates are almost twice as much as those of the average price imposed in the rest of Canada, and in some parts of Canada more than 100 per cent of the price of energy.

Our problem then was to provide and seek assistance from the Government of Canada in order to offset this increase in the cost of electrical generation. The budget introduced in December, 1979, by the Clark government made very specific provision for this problem in Nova Scotia and in other parts of Atlantic Canada. The budget provision promised assistance to the extent of \$300 million for Nova Scotia, Prince Edward Island and other parts of the Atlantic provinces to offset this tremendous increase in the price of electrical generation caused by the escalating price of foreign oil.

The purpose of my question to the Acting Prime Minister at that time was to ensure that the government would make a similar provision for the Atlantic provinces, and particularly for Nova Scotia. I did not get an answer from the Acting Prime Minister, but a few days later on May 6, 1980, in Halifax the Minister of Energy, Mines and Resources (Mr. Lalonde) at a press conference indicated very definitely that there would be no guarantee of such financial assistance for the Atlantic provinces and that any subsidy would depend upon the oil pricing agreement reached with the western provinces, particularly Alberta. This uncertainty leaves Nova Scotia, Prince Edward Island and other parts of the Atlantic provinces in a very uncertain position.

● (2220)

Let me explain the case for Nova Scotia very briefly. That province has taken very definite steps to relieve itself of the difficulty caused by the escalating price of foreign crude oil. In particular, Nova Scotia has set about to develop its coal reserves and convert the electrical generating plants that were dependent on foreign oil to coal. This has resulted in a very

*Adjournment Debate*

substantial reduction in the amount of crude oil used for electrical generation.

The over-all conversion program would have six and a half million barrels that were consumed in 1977-78 reduced to less than half a million by 1988. The program to replace the oil fired generation will involve approximately an eight-year period before the complete reduction can be made. The net result will reduce Nova Scotia's dependence on foreign crude oil as a source of electrical generation from a 1981-82 high of 76 per cent to less than 40 per cent by 1980-81.

For these reasons I think Nova Scotia is entitled to the kind of relief that has been suggested by the government of Nova Scotia. The steps that have been taken to reduce the consumption of foreign oil for electrical generation has led to tremendous savings for the Government of Canada. The net drain on the funds used to subsidize the price of imported foreign oil will be greatly reduced by the conversion to coal.

It is in the interests not only of Nova Scotia and other parts of Atlantic Canada, but of all Canada in achieving self-sufficiency in energy, to apply these saved funds to support alternate energy programs and to subsidize the price of electricity in Nova Scotia. Only in that way can Nova Scotians receive and pay a fair price for electrical generation, which everyone will regard as a necessity of life.

The point simply stated is this. Nova Scotia has encountered an energy problem of devastating proportion. The escalation of the price of foreign crude oil from \$2 per barrel to \$36 per barrel over a five-year period has resulted in a tremendous increase in the cost of domestic electricity. Rates in Nova Scotia are already almost twice the Canadian average. Help is required. It was promised; it ought to be delivered. If it is, Nova Scotia can maintain rates until alternate sources of energy can be brought on stream.

**Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, as the members of this House are aware, this government is committed to ensure that all Canadians, regardless of where they reside, share in the benefits of our energy opportunities. Certainly we include the Atlantic region in our commitment to equitable treatment for all. In fact our energy strategy meets particularly pressing needs in Atlantic Canada which has a very heavy dependence on oil for generating electricity.

Over the years the federal government has assisted the maritime provinces in a variety of ways in meeting their electricity requirements. More recently support has been provided through federal loans to aid New Brunswick in the construction of the nuclear generating station at Point Lepreau. When this nuclear unit comes into service later next year, it will have the potential to displace six million barrels of oil consumption annually.

More recently also, federal funds for the Nova Scotia program for oil displacement have supported the construction of the second coal-fired unit at Lingan and provided funding for a small-scale hydro development as Sissiboo.