

Government Orders

If in fact this country continues to develop in the area of nuclear safety, I may add. There is another recent development that will mean Canadians will pay more sooner rather than later and that is the goods and services tax. Under that tax, the sales of energy within Canada will be covered but not sales to U.S. consumers. As a result of the tax, the GST will penalize Canadian consumers for living in Canada.

I would like to draw to the attention of the House the words of then Prime Minister, the Right Hon. John Diefenbaker. He stated in the House of Commons on May 26, 1959, as reported in *Hansard* at page 4025:

As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interest. With the implementation of this legislation no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will—

Let me just say in conclusion that electricity is a strategic commodity. It must be carefully and jealously husbanded. We must ensure that the decision on whether or not to export it is made on rational grounds in open public hearings. We must ensure that the decisions are not politicized. We must protect the independence of the process of the National Energy Board. We must not increase the duration of export licences by 20 per cent. We must ensure that Canadians not Americans, gain the most from this most valuable Canadian resource.

In summary, this bill must be reworked and it must be defeated.

Mr. Hovdebo: Mr. Speaker, one of the greatest comparative advantages that Canada has had over the years has been the relative abundance of and easy access to energy, be it gas, oil or electricity. The actions of this government over the last few years has put that comparative advantage in jeopardy. The jeopardy I am speaking of is the fact that now, under the free trade agreement, we have promised that we will charge our own people the same price as we charge when selling that energy to the United States. In other words, the comparative advantage of abundance is gone because of the free trade agreement.

Besides that, we have, as the member indicated, put on a GST or are going to put a tax on energy used in Canada. That tax suggests that anything exported will not be taxed. What kind of an impact does the hon. member think this loss of comparative advantage will

have on Canada, particularly on his own region on the coast of British Columbia?

Mr. Brewin: Mr. Speaker, I thank the member for the question. It is very clear that to the extent to which a negative two-price policy develops, the interest of consumers and the long-term economic health of the country will suffer.

• (1330)

The GST, as applied to the sales of energy within Canada will in fact add to the price of electrical energy to Canadians and put this country, therefore the users of electrical energy, at a competitive disadvantage to those in the United States, assuming that the same price is approved in energy sales and the policy continues.

We have had a long debate over the last two decades in this country about the appropriate pricing strategies *vis-à-vis* exports. We in the New Democratic Party have consistently argued—and one the most eloquent spokespeople on this was our late leader, Tommy Douglas, who had a substantial impact on the thinking of Canadians by his effectiveness as a spokesperson for the proposition—that we must use our assets in energy, and in particular electrical energy, as a significant asset for Canadians to overcome some of the disadvantages that geography has given us in developing a manufacturing sector to our economy. This government has thrown that policy out the window by bending too much to large private production interests. We say there must be a balance in public interest.

Obviously, this country is a producer of energy. We have to use that as an asset and we must recognize the needs of the industry to develop, but those interests must be kept in balance with our social and economic interests of having a strong industrial sector, of having beneficial and effective prices for our consumers and, in the final analysis, of conserving a resource such as electrical energy which will help us in defeating the problems that inflict our environment.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have an opportunity to say a few words on Bill C-23, an Act to amend the National Energy Board Act. I commend my colleague from Victoria for the contribution he has made to the debate. It was a most enlightening contribution. I would like particularly to expand on the points that he just made in response to a question.