

*Power Lines*

things that make confederation and continued co-operation among the provinces difficult. I know that when Mr. Stanfield was the Premier of Nova Scotia, steps were taken by the maritime provinces to develop an integrated grid system for the transmission of electric power. Unfortunately, this system stopped at the Quebec border. Nova Scotia and the other maritime provinces were unable to gain access to vast supplies of electric power available through the Quebec transmission system and the hydroelectric system of the province of Newfoundland.

This has great and important ramifications for the future of energy in the eastern part of Canada. While we think of the great problems raised by the cost of importing oil used to generate electricity, further down the road, as we are able to overcome the problem of electrical generation with oil, we will be looking at developments like tidal power which will be totally dependent for their effective implementation on a hydroelectric grid system.

The importance of this on development of the energy future of the maritimes cannot be underestimated. Without the kind of information which the federal government has at its disposal being circulated, and those interested being allowed to examine the kinds of information, tests and studies that have been carried out in the past, we will not be able to move in this direction. Even today it is argued in Nova Scotia and New Brunswick that the development of Fundy tidal power will be hamstrung by failure to have in place an electric grid system to carry the power which would be generated by this tremendous project.

The hon. member brought a very important matter to the attention of the House when he spoke not only of the failure to bring to public attention the information at the disposal of and in the hands of the officers of the federal government, especially when it relates to electrical transmission, resolution of the electric transmission problem being at the heart of the energy dilemma from which we suffer so much in eastern Canada. I congratulate the hon. member and support him in his endeavours. I hope all members of the House will support him as well.

● (1720)

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I would like to say a few words on the motion by the hon. member for Vaudreuil (Mr. Herbert) because it relates to the export of electricity, a commodity which Canada has in some surplus in some of the provinces. I think the question of exports of electricity was of some special significance a few weeks ago before the budget was brought because at that time there was concern, especially by the western provinces, that a tax would be imposed on exports of natural gas. The argument went that if there was a tax imposed on the exports of natural gas from western Canada, chiefly from Alberta and British Columbia, a tax should likewise be imposed on electricity produced across the country, but especially in the provinces of Ontario and Quebec, which consume a very large portion of the natural gas produced. I must say that there seemed to be some logic to this

argument. But in the end the Minister of Finance (Mr. MacEachen) in his wisdom decided not to impose a natural gas export tax and so there was no tax imposed on electricity.

He did impose a tax on all consumers of natural gas, whether in Canada or in the United States. Of course, it was a much lower tax than it would have been had it just been on the exports. It is interesting to note with respect to the tax applied to natural gas that some 44 per cent of the revenues raised come from the consumers in the province of Ontario.

Regardless of which method was used for raising these taxes, whether on electricity or on the export of natural gas, it was clear that the provincial governments were opposed to it in any event. Certainly the provinces vary in the amount of electricity that they produce and export to the United States.

It would be interesting to consider for a moment the amount of electricity which is exported to the United States. Total production in Canada in 1979 was some 335 billion kilowatt hours of electricity. Exports amounted to some 30.4 billion kilowatt hours of electricity, or 8.6 per cent of the total production. It is argued that if this export of electricity did not take place that the cost of electricity to consumers would have been higher because, in essence, it is sold at a profit and it is often consumed in the United States at a time when the demand in our domestic market is not as great.

If we look across the country at the various provinces which produce and export electricity we find that the total value of the exports to the United States in 1979 amounted to some \$738 million. In New Brunswick it was \$128 million, in Quebec it was \$110 million, in Ontario it was \$356 million, in Manitoba it was \$64 million and in British Columbia \$80 million of electricity was exported to the United States. The question of imposing an export tax on this, as in the years from 1925 to 1963, is a complicated one because in some provinces, like New Brunswick where the electricity is generated from oil-fired thermal plants, profitability is not nearly as high, given the increase in the price of oil, as it is in Manitoba or British Columbia where electricity is generated from hydro sources.

The hon. member for Vaudreuil makes a very important point when he suggests we should be considering using electricity more for domestic home heating. Clearly, that is what is implied in the national energy policy program, which was put before the House a few weeks ago by the minister of energy. In that paper we see that if a person switches to electricity—the initial cost of heating a home shows only a very modest increase as between 1980 and 1984, making allowance for increased conservation. For instance, in 1980 the cost of heating a home with oil in a typical Canadian city—we will take Winnipeg as an example—is estimated to be \$680 per year. Based on the projected world price of oil, by 1984 the cost of heating that same home will escalate to \$1,930 per year.

You will recall, Mr. Speaker, that in the budget presented by the previous government on December 11, 1979, they were proposing to move the Canadian price to 85 per cent of the world price by 1984. If we take 85 per cent of that figure we