

*Energy Supplies*

itself it could not hold out hope for a brighter energy future for Atlantic Canada. As I recall very clearly, the government moved at that time along two fronts to build our energy potential. One was in the field of conservation and the other the development of alternate energy sources, both new and traditional.

Conservation has taken several forms. Agreements were signed with the governments of Nova Scotia and Prince Edward Island dealing with home insulation and industrial conservation. These programs became the model for the Canadian home insulation program. In all, over \$100 million was committed between 1975 and 1978 to Atlantic conservation programs.

Energy development has also been a high priority for the Government of Canada. Yesterday, the day on which the hon. member for Northumberland-Durham gave the minister the rounds of the kitchen, the minister tabled a memorandum of understanding with the governments of Nova Scotia, New Brunswick and Prince Edward Island concerning the establishment of the Maritime Energy Corporation. The new corporation will be charged with rationalizing and developing electric power transmission in the three provinces. The Maritime Energy Corporation will also serve as the sponsor of the development of Fundy tidal power and of nuclear power at Le Preau. For tidal power, \$33 million has been committed to a preinvestment design project. Strange, therefore, that a memorandum of understanding should be tabled by a minister who has been accused of not being alert to the energy requirements of Canada.

● (1620)

Now I should like to turn my attention to Newfoundland. The Government of Canada has also engaged in important new co-operation with the government of Newfoundland by establishing the Lower Churchill Development Corporation. The development of this energy source will involve investment in the order of billions of dollars and will constitute a major new source of electric power.

From a Nova Scotia perspective, coal is also assuming a new importance in electricity generation. Exploration financed by the Government of Canada has indicated major new reserves that offer the prospect of an expanded thermal coal production by the Cape Breton Development Corporation and increased power generation.

Before I turn to the role of Petro-Canada in Atlantic Canada's energy picture, let me just add renewable energy resources to the list of the government's energy initiatives. As part of the national program of \$380 million, the Atlantic provinces are sharing in funds for solar, wood, wind and recycled waste energy.

May I turn now to Petro-Canada. I invite the next hon. member to speak on the other side to justify the opposition of his party to Petro-Canada in light of the important activities that that corporation is undertaking in the interests of the energy situation in Atlantic Canada. It is just over three years since our national oil company was born. In those years,

[Mr. MacEachen.]

Petro-Canada has grown from virtually nothing to to rank now among the major companies of the Canadian petroleum industry.

**Some hon. Members:** Hear, hear!

**Mr. MacEachen:** One of the remarkable futures of this robust enterprise is the way in which it has spread its spending and activity from western Canada across to the Atlantic and north to the Arctic islands.

Atlantic Canada has benefited from the activities of this company and stands to gain more in the future. Why is the official opposition attempting to destroy this corporation which is opening new opportunities in Canada?

**Some hon. Members:** Shame.

**Mr. MacEachen:** Let me illustrate, for the benefit of members of the House, Petro-Canada's activities to increase the domestic petroleum supply, to substitute domestic gas for imported oil, and to provide greater security for our remaining oil imports.

As hon. members know, the Scotia shelf has been the scene of petroleum exploration activity for well over a decade now. There have been disappointing dry holes, but there have also been promising oil and gas discoveries, particularly in the Sable Island area. Unfortunately, none of them yet have proven commercial.

When Petro-Canada was created, exploration activity was slackening off, largely as a result of disappointment at the inability to prove commercial viability of the existing finds. However, the injection of fresh exploration funds by Petro-Canada, in association with established explorationists, has contributed to maintaining a level of exploration activity off the Scotia shelf for the past two years. I think it is true to say that, without Petro-Canada's participation, there would have been very little activity in our Atlantic offshore area in 1977 and 1978. That is a clear benefit to the province of Nova Scotia, to the Atlantic provinces and to Canada itself as a result of the activities of Petro-Canada.

Further north, Petro-Canada has helped to bring in a significant natural gas discovery, the Hopedale find off Hamilton Inlet last summer. This, the fourth major discovery on the Labrador shelf, was the result of an imaginative collaboration by Petro-Canada and a private industry partner. While much work remains to be done before this discovery can be properly assessed, and even more time and effort will have to be spent before gas can be brought ashore, it is clear that Petro-Canada is making a significant contribution to the development of what many geologists consider one of our most promising frontier areas.

As we have said, the development of indigenous energy sources is one of the major elements in our national energy strategy. The second is the substitution, wherever possible, of indigenous energy for imported energies. In this regard Petro-Canada's contribution in the Atlantic area as one of the initiators of the Q and M pipeline project is intended to bring