

Deuterium of Canada Assistance Bill

produce heavy water on schedule. If there were evidence of political patronage and the federal government were going to play around with the \$5 million for election purposes, I would be opposed to the grant. I am sure, however, the cabinet minister was carried away, and I think, knowing the situation during an election, that his statement was probably not entirely correct.

The previous speaker indicated that the management of the Deuterium plant had changed for the better, and I think that this is something for which we should give credit to General Electric. There seems to be a desire on the part of General Electric to produce a heavy water plant in the Maritimes. It will certainly not be nearly as large as this one. If the Deuterium plant is going to be totally successful, we will have to improve the type of atomic energy reactor we are using rather than use the enrichment type of reactor that is being used in the United States. So, we find that General Electric is co-operative in this regard because the success of its plant will depend on the number of reactors that are sold. Since Canada is selling atomic energy reactors, it is absolutely necessary for us to have the facilities to produce the heavy water which is essential for the atomic reactors that we are attempting to sell.

Therefore, I think we should make a much more formal arrangement with the province of Nova Scotia than we have in the case of the Deuterium plant. I believe that Atomic Energy of Canada is largely responsible for the mess that has developed in that province. I think the advice that has been given by Atomic Energy of Canada has been poor and unresearched. In Ontario, where we have started to use atomic energy for the production of electricity, we have been able in most cases to build small reactors that have been tested before we put money into building large reactors. We have developed to the stage where hydro has now reasonably large reactors operating in the field of electrical production. Atomic Energy of Canada has been able to make a considerable contribution in that field in terms of developing a small pilot reactor, and they have applied their knowledge to a large operational unit. I do not believe this course was followed with regard to the Deuterium plant in Nova Scotia and much of the fault lies, not only with the management hired by Nova Scotia, but also is due to the poor advice and lack of co-operation of Atomic Energy of Canada.

I think the Canadian people have an interest in the plant. If it is not successful, the Canadian people will have to make arrangements for other assistance to be given the Maritimes. It seems to me that now this plant has been developed, and that it has taken almost the total cash assets of Nova Scotia to bring it this far, we as a nation cannot allow it to fail. We will have to supply not only this \$41 million by way of assistance, but we will also have to supply a number of other assets to the province of Nova Scotia to make this venture a success. I think that Atomic Energy of Canada must be requested to provide Deuterium with the know-how which they have developed. We should be appreciative of the help of General Electric, but we should also be able to make a contribution to ensure the success of this plant.

[Mr. Peters.]

I think the contribution by Nova Scotia of \$140 million to the development of the Deuterium plant is a major contribution by the province toward the development of a totally new industry in the area. Certainly, the change of government is an indication that the people of Nova Scotia are aware of the fact that all the eggs are in one basket, and that the success or failure of the plant will depend entirely on the federal government. I think more contributions will have to be made by the federal government than have been made up to now. We are subsidizing the production of heavy water to the tune of \$20 million, and we are making available \$16 million in the first year of production. Now, we are making \$5 million available for development. It has been estimated that it will cost upward of \$20 million to \$30 million to enable the plant to produce heavy water. The necessary money will be hard to come by.

I suggest that the federal government go into partnership, through the regional development department, with the Nova Scotia government. The Nova Scotia government will have no pride in having developed this successfully by themselves. Their pride will lie in the ability of this new industry to provide employment in the area. The people will be proud of their contribution toward providing employment and not necessarily in providing the physical facility of Deuterium of Canada. The federal government can contribute by participating directly in the successful development of this plant.

I agree with the previous speaker that the change in management and the hiring of Mr. Cameron and Mr. Nazzari to operate that plant will go a long way toward assuring the federal government that any contribution they make will not be wasted. I think it is unfortunate that an election should have come at this time in Nova Scotia giving rise to a suggestion of patronage by the federal government. There was a suggestion that if one government was not elected there would be no contribution but that if another government was elected a contribution might be made. If the plans for the choice of management and for the plant of Deuterium of Canada had to be submitted to the federal government before this grant could be made, then I suggest that the new government is no more capable than the old one of providing those plans because they have not had the time to develop plans. So, the timing of the contribution by the federal government may be unfortunate in that it gives the appearance that the promise of the federal minister to make a contribution to one government and not another hinged on the outcome of the election.

We have not heard the end of this unfortunate project. It seems to me that more money will be necessary to bring it to a successful conclusion. The Canadian public has an interest in this plant because if it is not successful and we have to go abroad for every atomic reactor that we need, and as well as for heavy water to operate them, then that would indicate other countries which built another form of atomic reactor were right and we were wrong.