

*Supply—Northern Affairs*

I believe the hon. member for Bonavista-Twillingate raised the point that this would not be an equitable proposition because some provinces were poorer than others.

**Mr. Pickersgill:** I might clarify the point in order to save the time of the minister. I suggested that while the minister was not able to make any change, the government might give some consideration to changing the formula from the 50-50 formula to a graduated formula of some kind on the basis of equalization, as was done in connection with hospital insurance and has been done, of course, most spectacularly in the tax-sharing arrangements. This is because the 50-50 arrangement is something which is easy for British Columbia and Ontario to meet but which is very difficult for the Atlantic provinces to meet and, I suggest, is also a difficult problem for the minister's own province.

**Mr. Hamilton (Qu'Appelle):** I think I answered that question in committee by saying that because there was a limit of \$15 million over a five-year period that this put me in something of a strait-jacket with respect to my operations. However, that was the decision at that time and I have stayed with it. I do not think there is any question from what has been said by the members of the house today that by the end of these five years many ideas for new roads will be advanced and the matter should be considered at that time.

**Mr. Pickersgill:** I do not think the minister has answered my most important point, which was about electricity.

**Mr. Hamilton (Qu'Appelle):** I have the answer before me and can deal with it now. On the question of the power program or power policy for Canada, I think the argument advanced by the hon. member for Bonavista-Twillingate about distribution lines—

**Mr. Pickersgill:** No, by the premier of Newfoundland.

**Mr. Hamilton (Qu'Appelle):** By the premier of Newfoundland—I keep thinking they are the same person—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** I thank the hon. minister for flattering me.

**An hon. Member:** It is not flattery.

**Mr. Hamilton (Qu'Appelle):** The fact remains that I am guided by an act of parliament which mentions transmission lines and I have stayed by that act. I would like to point out, however, that in a province like Saskatchewan or Newfoundland, and I

believe also British Columbia and Manitoba, requests have been made to the federal government for assistance in respect of power. This, of course, means that there will eventually have to be worked out a national power policy of some sort. In the case of Saskatchewan the same arguments are advanced as those advanced by Newfoundland, namely scattered population, lack of great wealth, and so on. In the case of British Columbia, development is such a costly thing that probably the province of British Columbia will want our co-operation.

I will suggest to the hon. member in connection with power that there has been considerable evidence on the part of this government that they are moving forward to new positions in connection with this whole matter of power in co-operation with the provinces. The policy laid down in connection with the Atlantic Power Development Act did, at my request, include the words Prince Edward Island and Newfoundland. It is admitted that at the time the names of those provinces were put in we did not have any idea of requests coming forward, because at that time I was thinking of a regional development concept in the maritime provinces and I wanted the possibility of expanding that program. I have also said in public and in the committee that the province of Quebec must also consider itself as part of the Atlantic region, and I should like to raise with the committee some of the remarks I have made in other places with regard to the Hamilton river.

Hamilton river power is a great asset to the whole eastern part of the North American continent, but at the present time it cannot be used until we have the co-operation of several provinces. I can only say I will do all I can in providing information to those provinces in the hope that they will see that by co-operation not only will they get more power but they will get it cheaper. And that is, I think, the extent of my answer to the hon. member.

**Mr. Pickersgill:** I do not think that answers the specific question I addressed to the minister. I am afraid I sent the clippings on to *Hansard*, but I recollect pretty well that the Prime Minister gave an undertaking on February 19 that this matter would be discussed by the economists of the government and I presume he meant those of the minister's department. I should like to know what progress has been made with regard to this specific proposal by the premier of Newfoundland and with regard to which no reply that I know of has yet been given.

**Mr. Hamilton (Qu'Appelle):** Within the government, there have been discussions on