

Nova Scotia from that situation is to pay the \$5 million which was expected when the project was launched with the aim of being in production long before the legislative deadline for ADA grants.

Since special legislation would now be required to make this payment, we propose to take the opportunity to ease Nova Scotia's financial problems to a further extent by asking Parliament, through this bill, to authorize payment of the grant in instalments as the rehabilitation of the plant proceeds. This is more advantageous than the normal ADA provision for paying the grant only after production has started.

That, Mr. Speaker, is the substance of this piece of legislation. I believe hon. members on both sides of the House regard it as a necessary contribution to the economy of Cape Breton. On behalf of the minister I, therefore, ask approval of the bill to authorize a grant to the province of Nova Scotia for the purpose of assisting Deuterium of Canada Limited.

Mr. Peeters: Mr. Speaker, may I ask the Parliamentary Secretary whether he intended to leave the impression that with the passage of this bill only a maximum of \$5 million would be available to Deuterium of Canada.

Mr. O'Connell: No, Mr. Speaker; that is not the intention. The role of the Parliament of Canada would be to authorize the payment of this \$5 million grant. The Government of Canada has already authorized, as indicated by the Prime Minister on April 10 last, Atomic Energy of Canada Limited to make other financial assistance available, namely, the pre-payment of one year's production being valued at \$16.4 million and an increase in the price per pound of heavy water over the lifetime of the contract of approximately \$20 million, being roughly \$2 per pound. So, those two additional aids have been committed, not through Parliament but through Atomic Energy of Canada Limited, under arrangements with the Province of Nova Scotia.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, in presenting the bill to the House on behalf of the minister the Parliamentary Secretary has outlined the difficulties that were experienced at the Glace Bay heavy water plant. I can only add that I believe I speak on behalf of the citizens of that town when I say they are grateful for the fact that the assistance is to be made available and, as the Parliamentary Secretary has indicated, that the Nova Scotia government, which has changed hands in the last couple of days, apparently has expressed to the federal government its intention to rehabilitate this plant. This is a question which has been uppermost in the minds of the citizens of that town and, I might say, the citizens of Cape Breton and Nova Scotia as a whole. The arrangements that have been made concerning the advancement of moneys by Atomic Energy of Canada Limited will certainly be helpful in respect of the first year's production.

I think the question that has been uppermost in the minds of most people for some time concerned the availability of the new management, now under the

Deuterium of Canada Assistance Bill

direction of Mr. R. B. Cameron and Mr. Nazzer, who is considered to be one of the outstanding authorities in this field. Under their direction the rehabilitation of this plant should be successful. We are grateful that this bill has been brought forward at this time so that the rehabilitation will get underway as quickly as possible. Despite statements to the contrary, the Nova Scotia government of Mr. G. I. Smith worked long and faithfully on this case, and under the direction of Mr. Cameron and Mr. Nazzer I believe the situation has been brought to a point where this financial assistance will get this plant off the ground. Under the management of these two very capable persons the rehabilitation will take place. This, of course, will be a great source of aid and comfort to the people of Cape Breton and, as I said, Nova Scotia as a whole.

Again I should like to emphasize that I am delighted to hear the Parliamentary Secretary say that the government of Nova Scotia, which of course today is a Liberal government, has every intention of going through with the rehabilitation of this plant. I express my gratitude.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, many of us have long been concerned about the development of this heavy water plant in Nova Scotia, particularly because, despite the planning done many years ago to ensure that we would have a plant that would produce heavy water, as yet none of that commodity has been produced. Many of us are aware of the difficulties the Maritime Provinces are having. We are aware also of the fact that much of their hope for additional development in that area stems from the production of this plant which would have a number of by-products. Hopefully, this should be the basis for the creation of a totally new industry in this province which would make it much more self-sufficient.

Some of us will be reluctant to pass this bill at this time. I say that because of the events that have taken place in the past few months, particularly the statements made by one of the cabinet ministers in that area who said, in effect, to the Conservative government that until it brought forward new plans that would indicate some hope of success in the development of this plant, the \$41 million the federal government had tentatively agreed to provide would not be provided. It is very interesting to note that that cabinet minister now seems to have no objection to the paying of this \$5 million grant to the province, partly because of the change in government. I certainly give the government credit when I say that that is not the reason for proceeding with this bill. This bill was prepared originally some time ago. I have checked it and find it to be identical with the bill that was before us much earlier. In fact, it was first dated June 15, 1970, so this bill is not new and it was not brought in because of the change in government.

• (12:30 p.m.)

It is not entirely in keeping with the facts that plans are being formed now in such a way that an assurance can be given this plant will go into operation and will