

*National Energy Board Act (No. 3)*

be able to guarantee that the transmission of power from one province to another country or another province can be governed or regulated by the Canadian Parliament, when for over 50 years, Parliament has governed the movement of gas and oil from coast to coast and from one province to another. According to them, it is unthinkable that the province of Newfoundland, for instance, if it had a customer such as New York State that was interested in buying a lot of electricity, could sign a contract with this customer to transmit the power of the Lower Churchill, which is not yet developed, from Newfoundland to New York State by a power line through Quebec, without the Quebec government being entitled to say: I am sorry, but I forbid you to pass through my territory unless you sell me all your hydroelectric power so that I can then use what I need and sell the rest to someone else.

I have heard this argument from many Quebecers to whom I have spoken and I have asked them one question, and I must say, Mr. Speaker, that they generally could not reply because they have not thought about it that way. I asked them what they would say about a situation such as the following. We, in Quebec, need natural gas. As everyone knows, the gas pipeline will soon be extended from Montreal to Trois-Rivières, to Quebec City and to various other regions in Quebec. We clearly need this natural gas. It has to come from Alberta where there is a surplus, and we, in Quebec, want to have access to this natural gas. What happens at the present time is quite simple. There is a gas distribution company, a pipeline company, which takes the gas in Alberta and brings it through the various provinces to Quebec where consumers can get it because it comes under federal legislation and federal jurisdiction. What would be our reaction in Quebec if the premier of Saskatchewan were to say: "I am sorry, Mr. Lougheed, but you are going through my territory, you are violating my territorial integrity, and I cannot allow you to go through here. What I shall do is to purchase your natural gas, then I shall take what I need myself and sell the surplus to Manitoba, and the price I obtain is no business of yours, Mr. Lougheed. I shall buy your gas at a set price, but what happens afterwards is none of your business."

Then, the same thing would happen in Manitoba. Mr. Pawley, the new Manitoba premier would say: "I shall buy all your natural gas, Mr. Devine, take what I need and sell the surplus at a small profit to Mr. Davis." And Mr. Davis would do the same thing: "I buy all your gas, Mr. Pawley, I take what I need, I go to Mr. Lévesque and say: Mr. Lévesque, I have quite a lot of natural gas to sell you, but I shall make a small profit since it goes over my territory and affects my territorial integrity. I am therefore entitled to some compensation because you are going through my territory." You can imagine, Mr. Speaker, the price that Quebec would have to pay for oil and natural gas if each province were in some way to veto the transmission through its territory of a form of energy on its way to another province. I submit that no one in Canada could seriously suggest that we could accept as a

country—and exist as a country—a system under which each province could practically have a right of veto on power transmission through its province to another province, or even become the sole buyer of that form of energy and resell the surplus to another province at a profit.

Clearly, this has been rejected by the Canadian people as a whole, it would be so far-fetched that nobody will argue or submit that such a system could be acceptable. However, let us realize that the end result is much the same if we accept the argument that power could not be transmitted through a province to another province or country, without the producing provinces having to sell all of its product to the neighbouring province, the province in between client and producer. But again in practice, what happens is that there are agreements. As I said, the most sensible, normal, decent and economical way is to have a contract between two provincial hydros, at a reasonable price, the power being taken in by the power grid and a certain quantity resold to another country or province. This, in my view, is what should be hoped for at this point in the case of the Quebec-Newfoundland dispute. It is an unfortunate dispute, and as I said, a dispute the cost of which has been borne by Quebecers and Newfoundlanders, and a very high cost at that.

I would urge once again, as I have done privately, the two energy ministers to reopen negotiations on a broad basis. I personally indicated to the Newfoundland government that I viewed as excessive the position taken by that government to refuse to discuss the development of the Lower Churchill River and North Shore rivers unless the existing Churchill Falls contract between Quebec and Newfoundland is reopened, and that I viewed as deserving favourable consideration by the Newfoundland government the proposal made by the Quebec government, under which that government, especially over the last few months and even the last few weeks, showed its readiness to improve the Newfoundland-Quebec contract concerning Churchill Falls within the framework of a general agreement on the Churchill river and North Shore rivers development. I will pursue my efforts to try and convince both governments to sit at the table and realize it is in their mutual interest to reach an agreement not only on the famous Upper Churchill contract but also on over-all hydroelectric development in eastern Quebec, northeastern Quebec and Labrador.

I feel that such an agreement between the two provinces would have positive economic benefits in the order of hundreds of millions and even billions for Quebec and Newfoundland, not to mention the tens of thousands of construction jobs that would be created for citizens in Quebec, Newfoundland and also Ontario and many other provinces, because such developments have spin-offs across Canada, with turbines and all kinds of made-in-Canada items having to be ordered, since such a development would have a probable Canadian content of approximately 90 per cent.