

Of course, members will be aware that for many years we have moved gas through a pipeline built across those provinces into Ontario and Quebec. Compare that circumstance with the following one: The province of Newfoundland and Labrador has at Churchill Falls in Labrador a magnificent hydro generation facility put there in the mid 1960s with the collaboration of the two provincial governments, the government of Newfoundland and Labrador on the one hand and the government of Quebec on the other, and in particular the collaboration of their respective hydro agencies; Newfoundland and Labrador Hydro as it is now known, in the one case, and Quebec Hydro in the other case.

• (1350)

I will not go into the details of the funding for that particular capital project because these details would be extraneous to the point that I want to make here. I ask you again to reflect on my example given a moment ago about the movement of gas from western Canada into Ontario via a pipeline across the provinces affected.

I ask you to compare that with the situation in which you have hydroelectricity generated in Churchill Falls, Labrador, in the province of Newfoundland for consumption elsewhere, for the most part in the United States. As you will know, Mr. Speaker, electricity from that source in Churchill Falls, Labrador, has for many years been consumed in the United States, particularly in the state of New York.

How does it get from Churchill Falls, Labrador, in the province of Newfoundland to the state of New York? A quick look at your map will show you that the most expeditious route is for it to go across the province of Quebec, and that indeed is the way it does go, but that is not the full story. It goes that way only because of a middleman arrangement where in effect Hydro Quebec is the man in the middle. Hydro buys from Newfoundland and Labrador Hydro and market sells to the customer in the United States.

### *Government Orders*

That sounds like a fairly sensible transaction until you look at the dollars involved. I do not have them all in front of me but members will be aware of one of the two basic issues here, both of which I want to identify.

One issue, of course, is the pittance that Newfoundland receives for its resource compared to the many hundreds of millions of dollars which Hydro Quebec receives, first, for being the marketer, but also, we acknowledge, for having been an investor in the project at the time it was constructed back in the mid 1960s. I do not want to mislead the House but the figures are of the order of a few million dollars in the case of Newfoundland's annual receipts—I am talking \$20 million, \$30 million—and \$800 million in the case of the annual receipts that accrue to the Quebec treasury through Hydro Quebec.

We have all agreed, irrespective of where we sit in this chamber, that that is an unconscionable deal. We are also aware of the nature of contractual obligations and we in Newfoundland and Labrador have done what we think is the decent thing, although it is hard to swallow at times. We have done what people in institutions do everywhere, we have honoured the contract, as unconscionable as it is.

For some time there has been another way to resolve a related issue. Why a related issue? Well, why would we in Newfoundland and Labrador ever get into another deal like that? We have the resources to do so. In Newfoundland and Labrador we have the headwaters of those five rivers which flow to the sea in southern Quebec.

For many years there have been proposals that the two provinces ought to collaborate in developing and marketing that power.

There is also the Muskrat Falls development in Newfoundland and Labrador which would be developed, but why should we repeat the Upper Churchill Falls fiasco? Why should we again get ourselves in a situation where we are the hewers of wood and the drawers of water, where we are the people receiving the welfare rates, the minimum wage as it were, when another province is getting the real benefit from our resource?