

Newfoundland Hydro

negotiations, rather than by way of Parliament declaring what should happen. I do not deviate from the principle that if this Parliament has to do so, it should, but I would prefer if we followed—

[*Translation*]

—the feelings of Mr. Pearson, and finally reach an agreement between the province of Newfoundland and the province of Quebec.

[*English*]

Mr. Roger Simmons (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, the hon. member for St. John's West (Mr. Crosbie), my good friend of many years, and I are not often on the same side of an argument. But I am delighted to say this afternoon that I find myself very much in agreement with many of his points. Certainly I support the spirit of the cause he espoused in the House today. I will elaborate on that point in a moment or two.

Before the hon. member for Vancouver-Kingsway (Mr. Waddell) leaves the chamber, I should like to comment on one or two of the points he made in this debate. He made much of the quotation of the late Right Honourable Mr. Pearson. Then he chided the hon. member for St. John's West about the time when he was a Liberal. Perhaps I should indicate that when Mr. Pearson made that particular speech the hon. member for Vancouver-Kingsway was also a Liberal working very hard for the Liberals in Toronto. Unfortunately he took a below-the-belt dig at the Minister of National Revenue (Mr. Rompkey) and pointed out that he was an islander. From my knowledge of the careers of both gentlemen let me indicate that the hon. minister has lived more years in Labrador, namely ten or 11, than the member has lived in Vancouver. I suggest he stick to the issues and he would be less inclined to trip himself up. Also he indicated that he learned a lot from the speech of the hon. member for St. John's West. I am sure he has. I would caution the hon. member, nevertheless, to separate facts from fiction. There is a fair amount of fact in what the hon. member for St. John's West said today. There is also a little fiction. I want to address myself to both, Mr. Speaker, during the next few minutes.

● (1640)

The hon. member for St. John's West talked about the lease signed in 1961 involving the transmission of power, the 65-year deal we have heard so much about. In effect, it forms part of the basis for the motion before us. Mr. Speaker, it has been 20 years since the deal was signed. It would be purely academic to spend time defending the deal at this particular time. Suffice to say, for the purpose of what I want to say later, that at the time it was considered to be a very good deal. Indeed, it took the best brains on both sides of the Atlantic to put the deal together.

At that time, it was considered such a good deal, Mr. Speaker, that it was unanimously endorsed by every member, without exception, of the Newfoundland House of Assembly,

including the three lonely Tory members who sat as the official opposition in Newfoundland at that time. Every member of the House in that day, in 1961, thought it was such a good deal that every person, at that particular time, no one abstaining, endorsed the deal.

As my friend, the hon. member for Vancouver-Kingsway pointed out, it continued to be a good deal as late as 1966 when my good friend from St. John's West joined the cabinet of the gentlemen who engineered that particular deal. It is significant to note that the hon. member for St. John's West, in the three years he served in Mr. Smallwood's cabinet, did not utter a single word about the deal in terms of it being unfair, inadequate or less than good for Newfoundland.

An hon. Member: We were not told anything about it.

Mr. Simmons: No, Mr. Speaker. Do not misunderstand me. I am not at all attacking the position of the member for St. John's West at that time. The reason he did not speak out is he had good reason to believe in 1966 that it was a good deal. In 1966, 1967, 1968 and 1969 it was perceived to be a good deal. It was a good deal as long as oil was \$1.80 a barrel. Although my good friend for St. John's West was able to forecast and to look ahead, he could not have guessed that in 1966 or in 1969 the OPEC countries would do what they did in the 1970s to the international oil prices.

That is the key we are missing in this particular issue, Mr. Speaker. What was considered in 1961 and for a decade afterwards to be a good deal is not a good deal in today's terms. That is the point that the hon. member for St. John's West is making, I believe. In 1981 terms, it is an unconscionable deal. It is an insult and it is an unfair deal. It is highway robbery. The times have changed. The terms are changed.

As a consequence, I submit that the deal has to be rewritten. There has to be a new deal in so far as Upper Churchill Falls power is concerned, Mr. Speaker. On that point the member for St. John's West and I see eye to eye and cheek to cheek, to quote him. I will not quote him further because of my propensity for common decency.

Let us set aside the old business of hindsight, the hindsight everyone seems to exercise these days, about how shocking the deal was in 1961. In 1961 and in 1965 it was a good deal, but it is not a good deal in 1981 because of the circumstances that have since transpired. I will repeat it in another way for you, Mr. Speaker. If prices had remained at \$1.80 or \$2 a barrel today—and we know they are not because they are around \$34 or \$35 a barrel—Mr. Smallwood and his cabinet would be heroes because they had the foresight to sign a 65-year deal to lock the people of Quebec into a deal—at such good bargain basement prices. Was it the foresight of the people who were negotiating the deal in 1961 that was at fault? No, Mr. Speaker. Who would have dreamed at that point in time that we would today be talking on the international market about something in the order of \$34 or \$35 a barrel, as opposed to less than \$2. That is what went sour with the deal, and that is why it is wrong in today's terms, Mr. Speaker. Conscience and common decency dictate that that deal must be renegotiated in