

Atlantic Provinces Power Development

are well known to the minister. On the one hand, the existing legislation makes possible activities in this field in any province in Canada. The other count relates to the kind of electrical power project that can be developed; that is to say, under the other legislation it can be thermal, hydraulic or any other kind.

To recapitulate, Mr. Chairman, that is the main basis of the existing legislation, namely that power projects thereunder can be developed anywhere in Canada and that they can be any kind of power project. As against that situation the bill now before us is limited to thermal projects and is limited to four of the ten provinces. As I said last night, what this bill has which the existing statute lacks is the specific authority for the federal government to make financial agreements with the provinces in order to enable the provinces to build these power projects within their own borders. It seems to us that it would have been better to amend the existing statute in order to provide for the authority to make agreements. If that had been done the government, by way of agreement, could do for the Atlantic provinces everything that could be done under this bill and more.

Provision could have been made for assistance with respect to hydraulic projects. Similarly, if it had been done that way what is offered to the Atlantic provinces under this bill could have been made available to any of the provinces of Canada. I would appreciate a statement from the minister as to why the government chose this narrower way of dealing with the matter when the wider way was readily available.

Mr. Hamilton (Qu'Appelle): This is one of the fundamental features of this whole debate; that is to say, this makes absolutely clear what the government of Canada and the two other governments had in mind. In the first instance the provinces wanted it that way and I think they had two reasons. One was that they wanted to bring in this question of a coal subvention which was peculiarly a local situation; the second reason which I think could be advanced was that they wanted to separate thermal from hydro projects.

However, I believe the basic reason, the real reason—I can be corrected by the Minister of Veterans Affairs—is that in this matter we are dealing with a matter of pride. The province of New Brunswick is very proud of its efforts to go forward on its own to develop the hydro of the Saint John river and they wanted nothing from this government or any other government if they could do it themselves. However, the high interest rates of

the last few years forced them into the position where they needed financial help. They did not ask for help for 40, 50 or 60 years, or for the whole lifetime of the project. They only asked for the minimum amount of assistance which they would need to handle their bonds so that they could get a lower rate of interest and thereby keep the cost of the project down as much as possible.

I think this government has demonstrated its philosophy in listening to the wishes of the provinces and in providing what they wanted. It would have been much simpler for us to have had a doctrinaire outlook applying to all parts of Canada but we also kept in mind that this was a dramatic way of demonstrating to the people of the Atlantic provinces, and indeed to the whole of Canada, that this government was meeting the injustice which we felt existed in this area and to show that our interests were wider than those of two provinces. We wished however to work with the governments of these two provinces of Newfoundland and Prince Edward Island in this instance and I think the desire was sincerely indicated and sincerely met.

Mr. Lesage: By the previous government.

Mr. Knowles (Winnipeg North Centre): If the aim of the government was to put forward sincere plans meeting the desires of the province of Prince Edward Island and the province of Newfoundland, and in view of the minister's statement that the desire of the government was to meet the wishes of the provincial governments, how does he square that with the refusal of the government to meet Premier Smallwood's request that this bill be amended to provide for assistance in the case of hydroelectric projects?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, there is a misunderstanding of the grossest magnitude here. The statement that we have refused Premier Smallwood's request in one sense is true, in so far as a change in this bill to add the word "hydro" is concerned, but it is certainly not true by any stretch of the imagination to claim that anything we have said or done could be understood to be a refusal of a request to help Newfoundland, either in respect of hydro plants or transmission lines and thermal plants under this particular bill. Because this is a matter of vital government policy expressing our point of view to the Premier of the Province of Newfoundland, a letter will be received soon by the provincial premier expressing our opinion on his wire.