

Adjournment Debate

all these matters with the province of Quebec. The federal government put us in the hands of the province of Quebec, Mr. Speaker. That province took advantage of its neighbour and adopted a "beggar thy neighbour" policy. They finally said that for them to consent to us getting in excess of 300 megawatts from the upper Churchill project, which they had to agree to under the present contractual arrangement, they would want a boundary change in Labrador. In the alternative they wanted us to sell them 20,000 square miles of Labrador, the watershed of five rivers running into the St. Lawrence, for one dollar, and they wanted us to pay the same price for the power to be recalled from the upper Churchill as it would cost us in 1982 in Newfoundland for power. This would be 30 to 40 mills, Mr. Speaker, because in 1982 we would have to get it from oil fired generators. That is the position we were put in by the province of Quebec. They had us by the throat and did not hesitate to choke us.

The project is now halted on both counts. We cannot go forward with the transmission line and we have had to stop the hydro generation. If we are to develop the hydro generated energy at Gull Island, Muskrat Falls and other sites in Labrador and sell what we do not need to other provinces, we must have some way of getting over the territorial boundaries of the province of Quebec.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, whose allotted time has expired.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, on behalf of the Minister of Energy, Mines and Resources (Mr. Gillespie) I am pleased to reply to the question raised by the hon. member for St. John's West (Mr. Crosbie). I hope that he, representing a constituency in Newfoundland, recognizes that the encouragement of co-operation between neighbouring provinces has long been an objective of the government's energy policy and is reflected in the existing regional electrical interconnection policy which offers grants for studies and loans up to 50 per cent of the cost for approved projects. Such conditions together with a grant justified by special considerations have enabled the construc-

tion of an interconnection between Prince Edward Island and the mainland. The same program provided the basis on which an offer of loans totalling \$343 million was made to Newfoundland and Labrador for a transmission system between Gull Island and the island of Newfoundland.

The essential element has been the assumption that, given appropriate incentives, neighbouring provinces would co-operate in their best mutual interests, and in this connection I am encouraged by progress made at a recent meeting in Halifax. At that recent meeting federal representatives and officials of the Nova Scotia, New Brunswick and Prince Edward Island electric power utilities agreed to work out terms of reference for a study aimed at the co-ordination of electrical energy development in the Maritime provinces through extended co-operation of the three provinces and the federal government. The study will evaluate procedures and possible new corporate structures to deal with such matters as regional generation and transmission development, regional energy dispatch, and regional system planning. The study will lead to recommendations on organization, financing and decision-making on joint regional projects, and will consider co-operation with neighbouring regions.

The hon. member is envisaging a situation when the conditions for such co-operation are not present. While constitutional jurisdiction might provide some leverage in such situations there are many other factors beyond the physical construction of transmission facilities if mutual benefits are to be obtained, including co-operative planning, joint participation in selected generation facilities, and possibly shared financing. The government has a strong preference to explore the co-operative approach, and to consider exercising constitutional leverage only as a last resort.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.