

Government Organization Act, 1970

fluences affecting the economic viability of a tidal power scheme, all tending to operate in favour of tidal power. These are changes in fuel costs for alternative power sources, and technological changes influencing capital cost comparisons."

Even the man who produced the report in 1969 which concluded that it was not economically feasible to move forward with the harnessing of the Bay of Fundy tides, in 1970 indicated a change of heart and said it may not be long before power produced from the tides would be economical. In addition, international experts at a conference on tidal power in Halifax have stated there are alternative methods of harnessing the tides that were not considered by the programming board. In this connection, I would like to quote from *The Evening Times-Globe* of June 2, 1970, as follows:

Dr. T. J. Gray, Director of the Atlantic Industrial Research Institute of Halifax, said Fundy tidal power development would have to be on a bigger scale than envisaged to be economically feasible.

● (3:00 p.m.)

There would have to be "in the area of 4,000 megawatts with a peak of 8,000 to 10,000 megawatts before it can become saleable," but even though that would mean a higher construction cost 'this shouldn't scare anyone.' He said the cost of power from nuclear and thermal generating stations in the United States has been spiralling and is still rising. Tidal power costs would be considerably less than present conventional costs in the United States if developed on the required scale.

What the experts are saying is that first there is new technology available that would make the construction of the dams cheaper; second, that the project should be larger and allowed to produce a greater amount of power, and if this were done the cost of power would be reduced. I believe this to be correct, Mr. Chairman: there is a great deal of evidence to indicate that it is correct. I think it is imperative that a review of the programming board's report be undertaken at the earliest possible date.

The minister has come a fair distance. Both he and the Prime Minister initially indicated that they were not willing to review the programming board's report. The minister, after consultation and discussion, has now agreed that a review should take place if the two participating partners with the federal government, the governments of Nova Scotia and New Brunswick, request such review. The Premier of New Brunswick has indicated such an interest. The Premier of Nova Scotia, for reasons best known to himself, as I said earlier, has not been willing to make that request.

I believe we have now reached the point where it is in the public interest for such a review to be initiated by the minister, whether the Premier of Nova Scotia makes such a request or not—because I believe that the harnessing of these tides will bring tremendous benefits and will be of tremendous future value not just to the maritime provinces but to the whole of Canada. That project would produce great amounts of energy and in addition the federal government could export and sell surplus power that would be produced from the tides. Such a review must be undertaken soon, because the longer we wait before making it, the more it will become obvious that the report, prepared at a cost of \$2.25 million two

[Mr. Coates.]

years ago, will be useless. In other words, the investment of \$2.25 million is not being protected because we are not going to have the review.

● (3:10 p.m.)

I would now like to approach this matter from a slightly different point of view. I quote from an article by Harold Shea that appeared in the December 11, 1970, edition of the *Chronicle-Herald*:

Why hasn't Canada taken the plunge into the Bay of Fundy tidal power project?

High capital costs? High interest charges?

That's the reason Ottawa gives for its steadfast refusal to fund the Fundy.

But the argument no longer holds water because:

1—The critical energy in the United States, and the end of that country's era of cheap power and cheap fuels, hand Canada a gold-platter invitation to cash in on a premium price market for much of the energy the project could generate.

2—By selling surplus power to the eastern United States, Canada could realize a return sufficient to underwrite much of the capital cost.

3—And interest rates are declining.

Could it be that there are other reasons for Ottawa's reluctance?

Mr. Shea then points out some of the reasons why he feels that Ottawa is reluctant. I will not quote further from the article. This week I received a reply to a question I directed to the minister about CANDU, the Douglas Point plant which was produced by AECL in arrangement with Ontario Hydro for the production of power by nuclear energy. I have examined the information that was provided. I do not think that I can reach any conclusion other than that for every dollar we are spending we are receiving not more than a 50 cent return. In the explanation that was provided I was informed that we should not expect a dollar back for every dollar invested; this is a prototype plan and because of this fact, other reasons and financial involvement, we cannot expect a 100 per cent return on an investment. I will accept the fact that we should only expect a return of 50 cents on every dollar spent if it can be shown that the investment is of some value to me.

The Chairman: Order, please. I regret to interrupt the hon. member, but I must advise him that his time has expired. The hon. member may continue only with the consent of the committee. Is there such consent?

Some hon. Members: Agreed.

Mr. Coates: Mr. Chairman, I will take only a few minutes to finish this argument. I accept the argument that there may be a reason for receiving a 50 per cent return on every dollar invested. However, I cannot imagine any businessman becoming involved in a venture in which he expects to realize only 50 cents on every dollar invested. I can appreciate why Ontario Hydro is involved in this scheme. They cannot lose. They are buying from the Douglas Point plant power at six mills which has cost the Douglas plant at least 12 mills to produce. That is a ridiculous situation if carried to any length.