

years) with Quebec Hydro. With the benefit of hindsight this has turned out to be an unfavourable contract. I do not wish to comment on the difficult entanglement of legal and technical questions involved in this contract. Our Council noted that Quebec and Newfoundland share a very considerable mutual interest in future water developments and in further exploitation and use of hydroelectricity. The Council hoped that these opportunities to increase real incomes for both provinces would provide the basis through which a substantial net improvement in Newfoundland's benefits from the hydroelectric development could and would take place. But again one has to recognize the enormously difficult contractual, political, economic, technical questions that have to be resolved to go that route.

Turning to the fishery -- an enormous opportunity has been created by the 200-mile economic zone. Considerable problems are involved in modifying the management of the fishery in a way that is satisfactory both in overall terms and the treatment of individual fishermen with traditional rights. Regardless of whether jurisdiction turns out to be federal, provincial, or some kind of concurrent jurisdiction, it would be desirable to pursue certain general principles with respect to the management of the fishery. First, the fishery would have to be managed as a whole. Secondly, it is desirable that it be managed so as to generate some net rent to proprietors (though this may be distributed in various ways, including to the fishermen). Thirdly, it is