

Nelson River Power Development

will include the construction of a power site at Kettle rapids and the installation of 855,000 kilowatts of generating capacity; the diversion of part of the flow of the Churchill river into the Nelson river system near Thompson, Manitoba; works at the outlet of lake Winnipeg to control the level of that lake and the outflow from it, and long high voltage transmission lines from the Kettle rapids site southwest to the neighbourhood of Winnipeg. The total cost of this minimum initial development of the power in the lower Nelson will exceed \$300 million.

The federal government will construct, finance and own the high voltage transmission lines required to move the Nelson river power to Winnipeg and, when markets are developed, to the international and interprovincial boundaries. The cost of the high voltage transmission lines presently planned from Kettle to Winnipeg and the ancillary equipment has been estimated at about \$120 million. The line will be leased to the Manitoba Hydro at rates per year and per kilowatt hour of energy transmitted which will suffice over a period of approximately 50 years to repay with interest the investment made in the line.

The federal government's participation will insure that this power site of such great importance does not remain undeveloped only because it is located in a province in which the market for power is still too limited for the province alone to bear the full burden of financing its development. The potential benefits to Canada include a reasonable possibility of the export of power to the midwestern United States and the possible sale of low cost power to Saskatchewan and Ontario through interconnections between the utilities of the three provinces. Although the Nelson development can only be achieved in successive steps, the ultimate development will be of the magnitude of five million kilowatts.

The government of Manitoba and of Canada will proceed as soon as possible to negotiate the necessary formal agreement, following which the federal government will seek the approval of parliament for it. My colleague the Minister of Mines and Technical Surveys (Mr. Pepin), minister designate of the new department of energy, mines and resources, will conduct these negotiations with the province of Manitoba.

Co-operation between the Manitoba and federal authorities has enabled this great resource to be surveyed, and the possibilities of development appraised, in such a manner

[Mr. Pearson.]

as to lead to the present agreement. I should like to pay tribute to my colleague the Minister of Northern Affairs and National Resources (Mr. Laing) for the important part played by him and his department in the earlier stages of the investigations which have led to today's announcement.

The power resources of the lower Nelson river have been surveyed at a cost of \$4 million as a 50-50 joint federal-provincial undertaking over the past three years under the direction of a joint Nelson river programming board. With the consent of the house, Mr. Speaker, I would like to table the interim report of that board, which is dated December, 1965.

Mr. Speaker: Does the Prime Minister have leave of the house to table the report referred to?

Some hon. Members: Agreed.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the announcement made by the Prime Minister is of major importance to national development. This represents the culmination of the progressive policies of northern development instituted by the Progressive Conservative government a few years ago.

Some hon. Members: Hear, hear.

Mr. Churchill: The vision of the north which was ridiculed so often is now beginning to show real sense to the people of Canada. This is what we have been looking for for many years, and I pay tribute to the Conservative government of Manitoba for its initiative in proceeding with its plans for the development of the Nelson river.

There is an opportunity now for the present government to proceed with the plans we had underway several years ago, namely the development of a national grid. Here we have one of the great water resources of northern Manitoba available with a surplus of power for the advantage of the other provinces of Canada, and I would point out to the Minister of Industry and to other members of the cabinet that here is a fine opportunity for the promotion of industrial development in western Canada.

Obviously there will be a readily available surplus of cheap electric power which will be of advantage to industrial development. If there is power surplus to Canadian requirements there will likely be available a ready market south of the border, and I am sure