

voltage connecting lines. These loans are made by the Government of Canada at normal borrowing rates plus $\frac{1}{8}$ per cent and it is administered by the Atlantic Provinces Power Development Act under Northern Canada Power Commission of which Mr. Humphrys is general manager.

The CHAIRMAN: Are there any questions on vote L40?

Mr. AIKEN: This applies to other than coal then, I presume?

Mr. HUMPHRYS: This is different; this is a loan for the construction of high voltage transmission lines and thermal power plants.

Mr. AIKEN: This really does not come under the mines section; it comes under the resources section, is that correct?

Mr. DROLET: Perhaps I can tell you in one paragraph really what it does. The intended objective of this program is to encourage the development of an interprovincial electrical grid in the Atlantic provinces, primarily New Brunswick and Nova Scotia, the forerunner by a short period of the concept of a national grid, and thereby reduce the cost of power by virtue of interchange of capacity and maximum utilization of the most efficient or low-cost energy forces in supplying the consumer demand in the two mainland provinces. This is what it really does.

Mr. AIKEN: This is another question I would like to have asked the Minister, but I will hold it. That relates actually to the provincial development of a Canadian power grid. Have you any comments to make on that particular subject?

Mr. DROLET: No. I was going to ask my minister about it though.

The CHAIRMAN: We will have ample opportunity to ask questions of the minister who indicated this to us at an earlier meeting, and this was the procedure adopted.

Mr. BOWER: Would the decrease here represent the amount of yearly decrease in the paid off portion of the loans? I notice a decrease from last year.

Mr. HUMPHRYS: No. That merely results from the fact that the province's programming was stepped up. They had additional projects in the year covered by this vote, that is all. They do pay off each year. These loans are repayable over a period of 30 years for thermal plants and 40 years for transmission lines. The payments which are coming in are relatively small amounts, but they do make annual payments.

The CHAIRMAN: Just before this vote carries, I would like to ask a question myself, if I may. The Bay d'Espoir project in Newfoundland, was it under this particular item?

Mr. HUMPHRYS: The transmission lines associated with it are, yes.

The CHAIRMAN: Shall item L40 carry?

Item L40 agreed to.

Well, that concludes, gentlemen, almost all of the vote by vote considerations of the estimates. We have the Energy Board and the Dominion Coal Board to come before us before we return to item 1, and the general questioning of the minister.