

National Energy Board Act (No. 3)

(Mr. La Salle), let alone restricting him in this debate. We simply wanted a clarification. We did not wish the order of this House amended and the hon. member for Joliette can go on.

The Deputy Speaker (Mr. Blaker): The hon. member for Joliette.

Mr. La Salle: Mr. Speaker, clearly my amendment changes nothing to the legislation, aside from deferring the bill for six months. I would not like to waste the time of the House of course, because I know other members have comments to make on this, but I shall never prevail enough upon my colleagues from both sides of the House to accept my invitation because this proposal is in keeping with our responsibilities and objective of finding an acceptable compromise so that any legislation we pass may meet with the approval of the provinces. It should and could.

I think that we could then show that we fully realize the problem which Quebec and Newfoundland are facing and we will urge the minister concerned as well as the government of Canada to come to an arrangement and reach their objective. I do not think that I will make further comment on that legislation today but I hope that the amendment which I tabled will be favourably received by a majority in this House because such amendment provides an opportunity to avoid serious problems and we know that if it were negated it could be interpreted in my province as a provocation directed against thousands of Quebecers to avoid those problems. If I am to take the words of the Minister of Energy, Mines and Resources who stated this afternoon that at no time would he intervene in a provincial issue, I hope he will hear my appeal and agree to a six-month hoist which should be put to good use for the benefit of both provinces involved and all Canadians.

• (1650)

[English]

Hon. William Rompkey (Minister of National Revenue): Mr. Speaker, I am very pleased to be able to make some comments on Bill C-108. I am glad to have had the opportunity of listening to the speech of the hon. member for Joliette (Mr. La Salle). I did not hear all that he said, but I certainly heard the last part and I want to comment on that later on.

First, I want to trace the involvement of the federal government in this important hydro development in Labrador. This bill does not deal, of course, with the present Upper Churchill Falls development, the megawatts flowing through the Hydro-Quebec grid to the New York market and elsewhere.

There is a contract between two hydro bodies, and it has been alleged that that contract is certainly unfair to my province. I support that position. I do feel that a re-examination of that contract is in order. There is no question but that Newfoundland is not extracting from the sale of that resource its fair share as the owner of the hydro resource. That contract must be re-examined and changed in favour of Newfoundland, however it is done. The present contract is unfair to the province. It must be re-examined and changed to give the

owners of that resource a fairer share of the return from that resource.

However, the contract was negotiated, not with the federal government but between two governments and, indeed, two hydroelectric distributors. To talk about that is to talk about history.

From the point of view of the national government, I would like to refer back several years to a federal-provincial conference. I believe it was held in western Canada. Out of that federal-provincial conference came the agreement on the part of the Government of Canada to become a partner in the Lower Churchill Development Corporation. The Lower Churchill Development Corporation is a partnership between the Government of Canada and the government of Newfoundland. We are equal partners in that enterprise even though we do not own that resource. The claim has been made from time to time that ownership of resources is very important. However, in this particular case, even though we do not own the resource, it is quite clear that the rivers are owned by the provinces and that the produce from those rivers is owned by those provinces within whose boundaries the rivers flow.

Canada became a partner in that enterprise because we saw that the development of that resource was important, not only to Newfoundland and to Quebec but, indeed, to the entire country, as an alternate source of clean and perpetual energy and that it was a good investment for the people of Canada. Therefore, we became partners in order to develop possibly 10,000 megawatts of hydroelectricity in the entire Labrador area. Thus far Canada has put between \$6 million and \$8 million into that Lower Churchill Development Corporation, basically in order to upgrade engineering studies and marketing surveys because we felt that was important. Of course, this had to be done before a package could be put together. So there has been an investment of that amount of money by this government.

Similarly, in the budget before the budget of last November, the Minister of Finance (Mr. MacEachen) put aside \$200 million as the share of the Government of Canada in the equity of the Lower Churchill Development Corporation for that Lower Churchill project. Again, that was a financial contribution by the Government of Canada to that very important project. Now, today, we have this legislation before us which is further evidence of the commitment of this government to pushing forward that hydroelectric development.

This legislation was placed before us by a minister from the province of Quebec. I want to congratulate him for bringing forward the legislation and to give him all the support I can concerning this legislation. He recognizes, coming from the province of Quebec, that the interests of Newfoundland, Quebec and, indeed, the country, as he said in his speech, can be served by pushing forward this hydroelectric development by all possible means.

What we have here is legislation which would permit a power corridor across Quebec for hydroelectric development in