

into the Gulf of St. Lawrence. On those five rivers there are another 3,000 megawatts of hydro power wasting away, running into the ocean. Fifty-three hundred megawatts of energy are now running into the ocean every day, unused, the equivalent of another 60 million tonnes of oil per year that could be used here in Canada running away because no one can solve this conundrum and because the Government of Canada, the national government which has the constitutional powers and responsibilities, has taken no action to date to resolve this and to force the two parties to be more reasonable. The federal government could certainly exert some pressure by using its constitutional power and asking Quebec to be more reasonable. It could show Quebec that it really will have to be more reasonable.

There has been another cost to Newfoundland. The cost of site work on Gull Island in 1976, if construction had started then, would have been \$2 billion. The estimated cost today is \$4.3 billion. The cost has more than doubled because of this unnecessary delay caused by the somewhat, I believe, predatory and unneighbourly position taken by the province of Quebec, but, of course, they are responsible to their own electorate. I suppose they feel they cannot give anything up unless they are forced to give it up. They cannot justify it to their customers or their people, and they are in a difficult position. I can see that in Quebec. Unless they can show they are forced, that they have no choice, are they going to give up \$535 million a year, which will eventually become a billion dollars a year? And God knows what it will be before the 65 years are up.

So that is one cost to Newfoundland. The cost to Gull has now doubled. If it started now, it would be \$4.3 billion. But Newfoundland had to have more energy. They had to build a third oil fired unit at Holyrood. It cost \$75 million for 150 megawatts of power, oil fired. That is very, very, expensive, as hon. members know, the oil costing now whatever it is. There is some subsidy from the Government of Canada, but it is \$34 a barrel, \$40 imported. It is costing the Government of Canada quite a bit to subsidize that oil.

Then we had to do the Hinds Lake hydro project in Newfoundland, \$80 million for 75 megawatts of power. That costs 25 mills a kilowatt hour. Then the province had to start the upper Salmon development; \$155 million to produce 84 megawatts of power. The cost to Newfoundland hydro is 40 mills per kilowatt hour, almost 20 times what Quebec is paying for Upper Churchill power, and now the government of Newfoundland has had to start the Cat Arm hydro project, the last site left on the island of Newfoundland; \$300 million to produce 127 megawatts, and the cost, 60 mills per kilowatt hour that we have to produce in Newfoundland, power for which our people pay 60 mills, while we are selling all this power to Quebec at 3 mills per kilowatt hour. We are paying in Newfoundland now 20 times what Hydro-Quebec has to pay for the power from the Upper Churchill.

The total cost of all those developments on the island, all of which would have been unnecessary if Gull Island had been permitted to start, was \$610 million which had to be spent

unnecessarily in new plants. This was because Quebec said that Gull Island could not go ahead because they would not purchase any surplus power and they would not permit Newfoundland to transmit it to anyone else.

Those are the basic facts. The government has presented, in an energy security bill to the House—no, it was not presented to the House, I do not think. It is a suggested draft bill that is planned to be presented to the House. There are provisions in it that would give the Government of Canada the right to put under the National Energy Board interprovincial and international electric lines which link producers of electricity with customers elsewhere in the country or on the continent. If that legislation is eventually passed, that would give the government and the NEB the legal powers to do this if they so wished, but that legislation is not likely to pass the House for another six months, nine months or however long it might take, and this situation requires action now. It is a national tragedy, not just a Newfoundland tragedy, that one of the most disadvantaged provinces, one of the provinces lowest in per capita income, one of the provinces striving to pull itself up by its boot straps, should be losing \$535 million a year at the moment because of a bad contractual arrangement made in 1965. It would be bad enough if it had been since 1968, but that for the years since 1976 it has been prevented from developing all this power in Labrador because the province of Quebec has a strong stranglehold on whether or not the development goes through and wants to exact capitulation and surrender with respect to the Upper Churchill is intolerable. That is what we have a federal government for, and it clearly has the powers. It does not need to amend the Constitution to get these powers. It has them already but has failed to exercise them.

So I believe either this should come forward now and the government should act now—separate this out from the energy security bill—or the Minister of Energy, Mines and Resources (Mr. Lalonde) should try to see if some progress cannot be made by persuading Quebec and Newfoundland that there is no point in waiting any longer. These developments have to come. How long can Canada wait for all that power to be developed in these rivers? Fifty-three hundred megawatts of power today are just running away into the waters of the Gulf of St. Lawrence and the Labrador current because of this impasse.

The solution to all of this, of course, was back in 1965. I will say this for Mr. Lévesque: he was the minister of resources in Quebec, and he approached Mr. Smallwood back in those days and suggested, before the project started, that the Upper Churchill should be a joint venture between Newfoundland and Quebec. Had that been done, it would have been a sensible way of doing it. They could both have shared these resource rents equally. But the then premier of Newfoundland, Mr. Smallwood, said "No." He would not abandon his favourite son, BRINCO, that he had had something to do with having created years before. As a result, this great opportunity was passed up, and we face in the province of Newfoundland this impasse today.

Newfoundland Hydro