

*Atlantic Provinces Power Development*

going to agree on various projects, whether they be plants or transmission lines. Designs will then be prepared in co-operation with the New Brunswick electric power commission and the Nova Scotia power commission for each individual province. Those designs will, of course, be worked out in co-operation with the northern Canada power commission because obviously they are the only skilled group we have in the federal government that can judge these things.

Then we will agree on the consulting agency which will represent both the federal government and the New Brunswick and Nova Scotia power commissions in presiding over the construction and carrying out of these plans. So far as tenders are concerned we will see to it under the projected agreements—I put it that way because the final agreements are not signed yet—that tenders are let in the ordinary and usual way, and whatever the project is the work will be supervised and carried out in the usual manner by the consulting firm working under the direction of the northern Canada power corporation and the power corporations of each individual province.

**Mr. Lesage:** Who will pay the companies?

**Mr. Hamilton (Qu'Appelle):** The second question that the hon. member asked was the meaning of the word "advances". It is a necessary part of the arrangements we are making under the general agreement that during the construction period the bills will be paid by the agent of the federal government, the northern Canada power commission. As the contract items are completed we will pay for them. Therefore, at this stage these payments are correctly called "advances". When the project is completed and is sold to the power corporation of a particular province, then these payments cease to be advances and the provinces will pay us back in annual instalments over 30 or 40 years as the case may be. The legal definition of the word "advances" is the one that has to be put into the bill.

The third question asked was, what are the points of difference between the provinces of New Brunswick and Nova Scotia and the federal government in regard to signing the agreement. So far as I can ascertain from reading the correspondence no specific ones have been mentioned. The officials from both of these provinces will arrive here this week, and therefore I can only assume that these differences will be minor because the main points were agreed upon at the end of October. I do not believe, of course, that the policy agreements between the governments concerned will be changed.

[Mr. Hamilton (Qu'Appelle).]

I want to conclude by mentioning two points, one of which concerns the principle of the bill. I think it has been clear from the remarks of the various members of this government during discussion of the bill that provinces requesting aid for hydro power may make their requests under the statement of the Prime Minister (Mr. Diefenbaker), and under the conditions established by the precedent of Beechwood, which were financial. Then I believe it has become clear that we are looking forward in our thinking to provincial control, operation, and ownership of these projects. I feel it is clear also from the Prime Minister's remarks that the aid will be for publicly-owned systems. Obviously in so far as Nova Scotia is concerned, and the same may be true of other provinces, where there are privately-owned installations and grids there will be a certain association with private plants, but not directly from us in any financial way.

The economics concerned are the normal economics. Is it feasible from an engineering point of view? Does it fulfil a reasonable need? Does it provide cheaper power, by any method such as integration? These are the several factors that these two bills demonstrate. Another factor might be, what is the financial position of the province? An additional factor might be the over-all grid system. I believe these are criteria that were apparent in the discussion of these measures in the house both before Christmas and since. I believe it has been clearly established that projects will be considered separately, unless of course they are part of an over-all project.

The financing of the projects will, of course, vary with the circumstances. I believe it is significant, Mr. Speaker, that in this particular case we had a province asking for financial help in connection with hydro development for over eight years.

This brings me to the final point in my remarks. The hon. member for Winnipeg North Centre (Mr. Knowles) did a great favour, I think, for this house and the whole of Canada when he pointed out the terms and characteristics of the Northern Canada Power Commission Act, which has this important word "operate" in it. This act was originally put on the statute books for a very worthwhile purpose, to help the federal government in its program for opening up the north country. An amendment was made to include co-operative work in the provinces. I believe it was in the minds of the people who amended the legislation to do those things which would help in the opening up of the north country. I believe they had one province in mind in