

Mr. Speaker, I should like, as the first speaker on this side, to indicate that other cabinet colleagues will take part in this debate. By way of introduction, I say that this very important issue means a great deal to us.

[English]

What I would like to do, Mr. Speaker, is make a general introduction to the question, to respond as far as my own ministerial responsibilities may be affected in this regard, and then to orchestrate the response which will be made by my other colleagues on this side of the House.

Mr. Baldwin: Let's get some harmony out of it.

Mr. Macdonald (Rosedale): My colleague, the Minister of Indian Affairs and Northern Development (Mr. Chrétien), will come in with the French horn. The Minister of Environment (Mr. Davis) will bring in a western music theme, and no doubt the tubas will be heard from the other side of the House.

Mr. Crouse: The big bassoon is being heard now.

Mr. Macdonald (Rosedale): And as one of my hon. friends says, the opposition will fiddle as usual.

It is difficult to improve on the concise statements made by the Prime Minister (Mr. Trudeau) on February 24 in response to a question put by the hon. member for Joliette (Mr. La Salle), to be found in *Hansard* of that day as follows:

Of course the establishment of hydroelectric services on a river within a province falls under the jurisdiction of that province. Still, such undertakings may have consequences in areas under the responsibility of the federal government, for instance on the Indian population, the financing method, the export of energy—if that is the intention—the establishment of means of transportation, if the provincial government waits for the federal government to build them. Now for all those reasons we are interested in certain aspects of the project and it is those aspects that the government of the province of Quebec will have to discuss with the federal government if it wants to have our co-operation.

At present, the federal government has made no commitments.

The hon. member for Parry Sound-Muskoka (Mr. Aiken) basically accepted that proposition, and I noted his words that the development of power wholly within a province is entirely the prerogative of that particular province. I think it is recognized that it is the constitutional prerogative of individual provinces to select priorities for resource development within provincial boundaries, so long as such development does not interfere with the over-all development of Canada and does not have an adverse effect on neighbouring provinces.

The first question, which I take it is not in debate, is as to the wisdom or otherwise of proceeding with this particular project. Perhaps the answer is to be found best in a quick review of some of the statistics with regard to the estimated demand for energy, and in particular for electricity, between now and the end of the century. The demand for electricity is expected to grow at something like 6.5 per cent per year over the next 30 years, which is a five fold increase over the demand in 1970. One staggering conclusion is that in order to produce the electricity required in the year 2000, one half of all the primary energy used in Canada will be for electric generation. This therefore means that the province of Quebec has

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decided, as has been the case with provincial governments across the country, that it will have to meet the load demand in the province by bringing on to stream additional sources of electric power. And of course the preference is, and this has been the practice for some time, to attempt as far as possible to do as the province of Ontario has now done, to develop the hydroelectric head first and then proceed to thermal generation.

One of the points mentioned by the hon. member for Parry Sound-Muskoka was a reference to the possibilities of export of power. The National Energy Board of course is the body within the government of Canada which has the responsibility of dealing with the removal of power, whether across provincial boundaries or from a province to a foreign country. I am advised that while the National Energy Board is maintaining a watching brief on the proposed James Bay project, it has had no direct involvement to date. In other words, there has been no direct request to the Board for any approval, formal or informal, for any export of power from the province of Quebec. Indeed, so far as I know, and I do not pretend to have read all of the releases on the subject, there has been no indication by the Quebec authorities that they will seek to remove any part of the proposed power either to the province of Ontario, the state of New York, or any other adjacent user.

What is clear is that there will be a heavy demand for power in the province of Quebec in the coming several years. For that reason it is not unlikely that the product produced by this proposed development will be used entirely within that province. In any event the National Energy Board does not express hypothetical views on projects as they are started by provinces, nor does it consider the question of export until it is the subject matter of a formal application, which in this case would presumably be three to five to seven years away from the present date.

In the event that a licence and certificate are sought in connection with the James Bay project, applications would be assessed in accordance with the provisions of the National Energy Board Act. This would involve, among other things, a determination of the surplus nature of the power marked for export, and a finding as to whether the proposed border price was just and reasonable in relation to the public interest. Therefore, as I have mentioned, the question at this point is not so much as to whether the power project should proceed, and the hon. member has not raised that point. He has put his case on three other points.

His first point is in connection with responsibilities with regard to the native peoples in the area. I can confirm that my colleague, the Minister of Indian Affairs and Northern Development, will be speaking both with regard to that subject and with regard to the hon. member's second point, namely, the responsibilities of the government of Canada under the Navigable Waters Protection Act. My colleague the Minister of the Environment, is also with us this afternoon and he, in turn, will be speaking on the environment studies which have already been carried on by Environment Canada and the provincial authorities, and he will set out the viewpoint of the federal government in this particular regard.