

*Atlantic Provinces Power Development*

rata arrangement for any partial year at the beginning of the agreement to get it started on a fiscal year. Therefore, I would think it would be a fair answer to say that in relation to any particular project it will have to be paid for at the rate at which we borrowed the money to make the advance to complete the project.

**Mr. Lesage:** Yes, but the federal government seldom borrows money for 30 or 40 years, and it is quite possible that if the current borrowing rate during the period of 30 or 40 years goes below what it was at the time of the advance of the loan the federal government will be making a profit on the loan to the provinces.

**Mr. Hamilton (Qu'Appelle):** Mr. Chairman, as I glance through the draft agreement I think I have described it accurately and the only thing I can say in relation to the unfairness to the provinces—

**Mr. Lesage:** I did not say it was unfair.

**Mr. Hamilton (Qu'Appelle):** Oh; I thought the hon. member did say that if there was a lower interest rate say 10 years from now we could come back—

**Mr. Lesage:** I said the federal government would make a profit. I did not say it was unfair, because if there was an increase in the interest rate then the federal government would sustain a loss.

**Mr. Hamilton (Qu'Appelle):** I do not think the provinces will look at the question too seriously because whatever way the dice fall, then that party will have to suffer.

**Mr. Lesage:** That is right. I want to make it clear.

**Mr. Thompson (Edmonton-Strathcona):** Mr. Chairman, the minister said earlier that an integrated grid system is required throughout the maritimes for the proper development of power there. With this I fully agree. In fact, if the three maritime provinces were to combine with our new province of Newfoundland in a sound economic unit they might give the larger provinces of Quebec and Ontario with whom they have to compete quite a problem in the future in the development of the industrial potential of the various provinces. However, in the development of such a power project a lot of planning is necessary. We have been assured that considerable planning has been done because it seems that Mr. Harris proposed a scheme along much the same line in his last budget address. It would appear at the same time that this project comes under the authority of the Borden royal commission. As far as I am concerned, I say more power to the maritimes. It is

[Mr. Hamilton (Qu'Appelle).]

needed now; let them go ahead and develop it and let us not worry about the Borden commission.

At the same time, I think it is appropriate that we in our province should ask for assistance. As hon. members know, reference was made a moment or two ago to the fact that we are a wealthy province now and we do not need to worry about our coal industry. It can go to pot because we have gas and oil. However, as hon. members know, a very serious problem is developing in Alberta in both of these fields.

In the province of Alberta we have a conservation board which has been studying the gas question for a long time, and they have assured us that we can export gas and still have enough left to support our needs in Canada. In addition to that, a long time ago we had a pipe line debate in which gas was discussed at considerable length. The government has had at their disposal a very competent civil service, since they have come into power, to study the gas situation in which they were so interested at the time of the pipe line debate.

**Mr. Smith (Calgary South):** Mr. Chairman—

**Mr. Thompson (Edmonton-Strathcona):** It ties in with this project in the east. Every bit of gas which we either export to the United States or are able to bring down to the eastern market to replace United States coal improves the trading balance between ourselves and the United States.

**The Acting Chairman (Mr. Rea):** Order. I have been very lenient with the hon. member for Edmonton-Strathcona in his wanderings. We are on clause 3 of the bill which has to do with authority to enter into agreements. I would ask the hon. member to relate his remarks more closely to the bill.

**Mr. Hansell:** He is just introducing the subject; he is coming to it now.

**Mr. Thompson (Edmonton-Strathcona):** I certainly have not very far to go; it will only take a minute. This type of scheme requires money. The money comes from the taxpayers, and it can only come from a healthy industry. The corporations developing oil and subsidiary industries all pay income tax.

**The Acting Chairman (Mr. Rea):** I am sorry; I must ask the hon. member not to continue if he is going to speak along that line.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, may I ask the minister a question regarding subclause 2 of subparagraph (a) of this clause? If I understood the minister when he spoke earlier in the debate, I thought