

Northern Canada Power Commission Act

surpluses that are now required to be applied to the benefit of the individual plants—and until recently those surpluses were very few. He has informed the House for the first time, notwithstanding the very detailed examination of the officials of NCPC in committee in 1969, and notwithstanding the sidestepping on innumerable occasions by the minister, the general manager of NCPC and the deputy minister, who also wears the hat of chairman of the commission, that the commission, the government is going to adopt a policy of rate equalization, a question the answer to which was asked by northerners everywhere.

The Parliamentary Secretary has also been very sketchy in tracing the history of the NCPC, and what tracing there was has been inaccurate. Neither has he traced the history of private capital investment in power generation and distribution in the north. He said the NCPC was established in 1948 and that at that time its activities were confined to the construction of generating and distributing facilities in the Northwest Territories. Because a specific need had to be fulfilled in the Yukon, namely, the supply of power to United Keno Hill Mines Limited, which for several years had supplied its own power and was until recently the richest silver mine on the North American continent, the NCPC decided to have the act amended to permit the commission to construct this facility in the Yukon. I believe that amendment was made in 1952.

The hon. gentleman also inaccurately stated that the commission's activities are confined to northern Canada. They are not confined to areas above the 60th parallel. Of the 20 locations at which the commission operates, one is in northern British Columbia, at Field, and another is in northern Saskatchewan at Moose Factory. There are three locations in the Yukon at which the NCPC operates, namely, Dawson City, Mayo and Whitehorse. All the remaining generation and distribution facilities of the commission are in the Northwest Territories.

I shall have a few words to say in a moment about rate equalization and what that means to Yukoners as well as what the policy of this government means in terms of creating out of the area above the 60th parallel a vast experiment in state socialism; but for the moment may I rectify and set straight some of the omissions and inaccuracies in the material from which the Parliamentary Secretary read.

According to the evidence of the then chairman of the commission at the time the Standing Committee on Indian Affairs and Northern Development was examining the commission's estimates in 1949, the NCPC was created for the purpose of generating and distributing electrical power in places where private investment was either unwilling or unable to go. This is a very important criterion, one that has been omitted from the remarks of the Parliamentary Secretary. So apart from the installation at Mayo to assist the specific mine at Elsa, the commission had no other installation in the Yukon. The act was amended to enable the commission to supply electrical energy to communities that were being supplied by the Department of National Defence, the Department of Transport and other agencies.

[Mr. Nielsen.]

• (3:30 p.m.)

It was not until 1958, some six years later and ten years after the advent of the NCPC, that the commission decided to build that dam because of the power needs of the area which could not be handled by the Yukon Electrical Company, which at that time was still in the hands of the descendants of the original incorporators of that company in 1901 as a private enterprise. The NCPC sat on its hands for all that time. Even after 1958, when the Whitehorse plant was established, not until a year and a half ago did the commission awaken to the fact that development was occurring in the Yukon and the time was ripe to come in and skim off the cream.

So we in the Yukon waited from 1948 until 1968, 20 years, for the NCPC to do this job. There were communities at Old Crow, Keno City, Stewart Crossing, Pelly River, Carmacks, Beaver Creek, Burwash Landing, Destruction Bay, Haines Junction, Carcross, Teslin, Watson Lake and Lower Post all waiting for this government-established agency to go in where private capital investment was either unwilling or unable to go.

The Yukon Electrical Company was acquired, as the Parliamentary Secretary has said, by Canadian Utilities through a purchase in the late 1960s. It went into each and everyone of these communities. There are power-generating facilities established there, with power being distributed by the same company that is generating the power. The NCPC had an opportunity when Keno City was up for grabs and knew about the intention to sell out to the Yukon Electrical Company. Then, all of a sudden, the NCPC generated a good deal of interest.

When the Parliamentary Secretary plays down the role of investment capital in this fashion, by not mentioning the extent to which in terms of dollars—some \$250 million—private enterprise has gone into the power-generating field in the Yukon Territories, he does this House a disservice. I am sure this was not intentional, because he was not reading his own material but was just distributing facts to this House. The truth of the matter is that the NCPC and its officials were dragging their butts. They did not know anything more about northern development than they could see from this distance, as is usually the case. I feel very sorry for the hon. member in that he was making sounds precisely like those that might be made about the Yukon and Northwest Territories, in terms of development, by a person who lives in Toronto or somewhere else. He certainly is not acquainted with the real facts of northern development.

Let me place in proper perspective some of the statistics he put on record. He spoke of rate equalization and he lumped together, as is the policy of this government, the two territories in the north for state administrative convenience. There is a role to play in the development of this country, particularly in the development of our northern areas, for private enterprise capital. I am not one who believes—I think I am speaking for every member of this party—that investment capital should be dried up and frightened away by state control of development processes. This is precisely what is happening.