

Am I correct in assuming from that that the project is not to be self-liquidating?

Mr. MacKINNON: The project is to be self-liquidating.

Mr. SMITH (Calgary West): Perhaps I was not clear as to what the minister said. I thought he referred only to carrying charges.

Mr. MacKINNON: All charges.

Mr. ARCHIBALD: I am in favour of this measure, and I hope that when the commission begins to operate it will see that equitable rates are charged to the citizens of Yellowknife. I had the pleasure of visiting Dawson City in the Yukon last year. The company there had its own electric plants to operate the dredges, but it is taking the citizens of Dawson City to the cleaners through the high rates it is charging. I should like to see the government hook up the Yukon with the Northwest Territories. I wish they would extend the commission in there so that the city of Dawson could get equitable rates for its citizens.

Mr. JACKMAN: May I ask one or two questions on this project? First of all I should like to pay a tribute to the enterprising investors, miners and others who have developed this section of our great country to the extent that they have. It is far removed from some of our largest centres, and was distinctly one of the greatest pioneering projects in Canada. Fortunately this development has been crowned with a certain measure of success, which promises well for the future. The questions I should like to ask the minister are these. I understand that the first development of this power project is one of 8,000 horsepower. The firm contracts which are in hand now for certain mining companies will include 4,000 horsepower.

Mr. MacKINNON: We have contracts now for approximately 4,000 horsepower from one mining company.

Mr. JACKMAN: What I am interested in finding out, Mr. Chairman, is just how these rates are to be assessed against the whole development and applied to the first people who come into the use of this power. For example, if the total project is for 28,000 to 30,000 horsepower, I presume there will be certain dams and water hold-backs constructed which will enable the whole development to be made use of in the most economical way possible. If the first instalment is for 8,000 horsepower, it is obvious that the government cannot expect to get back all the cost of the storage dams, and so forth, by assessing the costs against the small amount of initial pro-

duction. Therefore I think the committee should be given some information as to the method of fixing the rates which will be applicable from the very start, because if the rate is too high for an individual mine it may be found that the cost of production of gold, or whatever metal is being mined, will be so great as to discourage any future development in that country. If the minister will let us know exactly what factors are to be taken into consideration when the rates are determined, it will be enlightening.

As I understand the bill, not only the costs of operating the power plant and distribution will be part of the schedule, but also the amortization of the whole project, of which just a small part is being developed now. Perhaps the minister will include with his answer his own opinion, backed by that of his officials, as to the extent of the ore resources of the mines which will make these contracts, because the committee will be interested to know whether or not there is a likelihood of the mines being able to use the power over a long period so that they will be in a position to honour their contracts during their lifetime.

Perhaps the minister will tell us how long the present contract for 4,000 horsepower is to run and whether or not there have been any other applications from adjacent mines, and for what periods of time they want to take power.

The DEPUTY CHAIRMAN: Order. I wonder whether the committee would agree to deal with the clauses as we come to them. Clause 6 deals with power. What we are dealing with at the moment is just the short title, which reads:

This act may be cited as the Northwest Territories Power Commission Act.

Mr. CHURCH: I am glad to see the minister take the action he has in connection with this bill. I wish to commend it to the wisdom and judgment not only of the house but of the country. The Northwest Territories are rich in natural resources of many kinds lying yet undiscovered. As a pioneer in cheap light and power movement in our own province—

The DEPUTY CHAIRMAN: Order. I wonder if the hon. member would deal with the short title. We shall reach the different clauses later.

Mr. CHURCH: I do not wish to delay the proceedings, but I wish to commend the bill to the house. I know the minister is taking the right attitude if he gets the right men on the commission to develop it. The various definition and interpretation clauses are all right so far as I have seen them. I have read