

Northern Canada Power Commission Act

tribute power to the very communities that the private entrepreneurs eventually went in to supply? They were doing nothing. What is more, all this expansion, requiring huge sums of capital, was carried out by private enterprise from its own funds with encouragement from the minister, from the government. Now, all of a sudden, we propose to change the ground rules and say: Perhaps we needed your capital then to do the job we ourselves should have done, but we do not want it any longer. That is about the size of what is being said.

I will cite another classic example. In 1964, the Territorial Government had to ask the Yukon Electrical Company Limited to supply electrical facilities to the community of Old Crow 60 miles north of the Arctic Circle. This was a responsibility unwillingly inherited by the Territorial Government from the old Department of Indian Affairs and National Resources. The cost to the Territorial Government to supply this community was estimated at 27 cents per kilowatt hour, but the company agreed on a trial basis to serve the community at a cost of 25 cents per kilowatt hour. Service is now being supplied at 15 cents. Again, a classic example—I speak facetiously—of private enterprise, of private investment capital “gouging the community”. The government itself set the rate at 27 cents but the community is now being supplied at 15 cents.

As recently as September 1968, the federal Department of Public Works, through the Crown Assets Disposal Corporation, sold to the company its remaining distribution lines in the Whitehorse area valued at approximately \$250,000. These lines are now being operated to supply various departments of the federal government as well as other customers in this area. This is significant. This is why I say the government has a responsibility to back away from the reneging it is doing in its business dealings with private enterprise here.

During the tenure of the Yukon Electrical Company Limited in the Yukon, the company has been encouraged by public statements by ministers in not only the present government but in the preceding government, and told that the policy of the federal government was to provide an environment conducive to the investment of private capital in northern Canada. We are backing away at high speed from those guarantees.

In the company's brief presented to the Standing Committee on Indian Affairs and Northern Development, as my hon. friend who has just spoken has pointed out, the owners of Yukon Electrical said this:

We are concerned that there is developing an atmosphere of public ownership only, and no others need apply.

What they want is a clear statement of government policy that this is not the case, and that private investors will be required to continue to be interested in providing electrical services to the north. How else are the private utilities to plan their operations unless a statement of this kind is forthcoming from the government? They said constantly in the committee: If you do not want our capital in the north, tell us so; take it over and we shall get out and put the money somewhere else in the world where investment is more attractive.

[Mr. Nielsen.]

There is another point in this regard. If members of the House examine the legislation of 1948, and the debate which arose thereon, they will find it is very clear that Parliament did not intend at that time to grant a monopoly to the Northern Canada Power Commission, a monopoly which it is now endeavouring by these stealthy amendments, for which the government must take responsibility, to acquire.

With respect to the establishment of a public utilities board it has been advanced with a good deal of sense in the evidence before the standing committee that instead of the NCPC making policy decisions as to future developments in the areas under its jurisdiction, instead of the government making those decisions and passing them on to the NCPC to implement, and instead of putting forward the kind of amendments which purport to accomplish this objective in the bill before us, why cannot we use the National Energy Board and all the expertise which is available there for the purpose of reaching these decisions through the Territorial Government. Why cannot we use the National Energy Board for the purpose of adjusting and controlling electrical rates in the north? I hear some people, advocates of NCPC and of the government, talking on this subject, and one would think that the owners of the private development and distribution system in northern Canada were scared to death of rate control and rate approval. Nothing could be further from the truth. Nothing would be more welcome to the private generator and distributor in the north than to see a public utilities board or some similar body set up for the purpose of governing rates, provided, of course, that the NCPC would also be subject to the authority of any such public utilities board. It stands to reason that the user rates of the distributors of residential and industrial power depend on the wholesale rates at which NCPC pipes the power into the distributors' lines.

Another highly objectionable feature in this bill, and a most unbusinesslike one, is the idea of government going into areas on the assumption that only the government can do the job cheaply, although it is a principle accepted by most fair-minded Canadians that the public tender system is the only way to get a job done at the lowest cost to the taxpayer. Precisely this is happening in the operations of the NCPC. They go into an area and they do not give private enterprise the slightest opportunity to tender on the job. Indeed, when private enterprise hears of something which is to be constructed they write to the government and say: Let us take a crack at this; let us submit a bid; we think we can do it as cheaply as you, or more cheaply. The government says: We are not interested in your bids. We know we can do the job and we can do it more cheaply; we can get money cheaper than you can; you do not have the kind of capital we do to carry out such a project. Other shallow and groundless excuses are used as well.

I want to deal for a moment with the Carr Report which was a study of the economic future of the Yukon. The main thrust of this report as it dealt with the supply of electric power was to advocate government ownership of the means both of production and of distribution throughout the north. I see one of the members who was