

public power is a good thing, for a variety of reasons. Let us consider the general situation, not confining ourselves to the arrangements made for one particular region of Canada. The economics of public power are better because of the non-profit motive, because of the lower interest rates which can be obtained and because large public corporations are in a better position to undertake long-term financing.

● (4:30 p.m.)

Some of these projects are so huge that they require 33-year or longer financing before they can go into production. I am thinking of some of the hydroelectric plants or atomic power stations we have at the moment. Since a large corporation would have a larger market, it could afford to initiate hydroelectric projects of a size frequently beyond the capacity of the small, individual, private power operators. It is for reasons such as this that the members of this party in general favour publicly-operated power stations.

I understand from my reading of and acquaintanceship with the situation in the Yukon that there are a large number of hydroelectric power sites available just waiting to be developed once an adequate market has been found. It seems to me that here a large public corporation would be able to guarantee a power capacity that small individual corporations might not. In this respect, a market for power may well be developed, since mining operators and business concerns would be sure of a power supply to put their projects into operation. As a result, these concerns might proceed with their ventures where otherwise they might hesitate.

In cases where a mining operation, say, required additional multimillion dollar loans over and above normal capital needs, the assurance of power supply by a public corporation might make all the difference between commencing and not commencing operation. Consequently, I feel there are some definite advantages to having a government-operated power corporation in this part of Canada. In addition, I think that a large public corporation would tend to standardize its supply of parts. Certainly this was the experience in Saskatchewan where we discovered that small individual corporations had a whole variety of differently sized parts. One large corporation would combine volume, parts would be cheaper, and as a result everybody would benefit.

We would favour the government going further than it already has. We feel the bill should have implied a direct undertaking to proceed with public power development in all its phases in the Yukon and Northwest Territories, not simply in what I might call the fringe areas. Too often we feel that the profitable power developments, as is the case with other industries too, are left to the private corporations and the fringe areas, areas in which the others cannot make money, are left to government corporations. It stands to reason that in such circumstances the establishment of a public power corporation does not show up to advantage. The only way to view such a corporation is to look at it from the over-all

Northern Canada Power Commission Act

aspects, as one corporation that looks after the power requirements of a particular area.

I should like to talk for a moment about equalization of power rates. I come from a farm situated in a scattered farming area in Saskatchewan. From the point of view of straight economics, I doubt that it would ever be profitable to put a power line through my part of the province. However, I do not believe that the waters of the South Saskatchewan River or the North Saskatchewan River impounded within the Squaw rapids, for example, belong solely to the people of Saskatoon, Prince Albert or other large cities in Saskatchewan where power development makes money. These cities are there to serve farmers such as myself, and I have equal claim to power from the Saskatchewan River and to equality of price as anybody else in Saskatchewan.

Whether power users are assisted by operating or capital grants, or in some other way, it is to the advantage of all that there be one over-all rate. I am not talking about rates only; I include the establishment of power lines to distant areas where it may never be economically feasible to provide power. I remember when parts of Saskatchewan had no power. I personally had trouble with my private power plant and finally with public power moved from a 5-horsepower to a 10-horsepower transformer. I have seen an expanding use of power in the province, and this has had an effect upon businesses and allied ventures in some of the fringe areas. In this regard I take particular issue with the hon. member for Yukon (Mr. Nielsen) who had much to say about the people in Whitehorse and other cities and hardly said anything about those living in the fringe areas. When he did say anything about them it was to point out they had no power, and I think his criticism is justified there.

From my experience, if power is produced purely from the point of view of straight economics, the fringe areas will have no power supply. Or if they have a supply, the rates will be expensive or they will have trouble with the supply. There will be no connecting grids and as a result the supply will be uncertain. This is why I say we must look at the supply of power in the over-all sense, in the total economic picture of areas of the country as a whole, rather than individual cities. In this respect people living in Whitehorse and other cities, and operators of mines, should not object if some of their money is used to extend power to other areas of the Yukon.

Mr. Nielsen: Why not a reduction of rates?

Mr. Thomson: I come from an area which would never have had power if economics had been the sole consideration. But the waters of the Yukon River are not only for those who live in Whitehorse; they are for the people of the Yukon as a whole. Similarly, mines are not for the benefit of the operators of the mine alone but are, rather, for the benefit of the people as a whole. The people of Whitehorse should help pay for the power needs of others. After all, must the people of the Yukon live in Whitehorse or in mining areas only?