

part of the cost benefit available. Thus, the rates in a larger community will not be increased by any substantial amount—indeed, in some cases it may not be necessary to increase them at all—while those in the smaller communities should not expect their rates to come tumbling down. There will be reductions possible in some regions, but do not expect miracles. I want to emphasize that the policy of regional rates will be applied in a sensible and fair manner. Some of the extreme suggestions already made about this new approach are gross exaggerations of the manner in which the commission will carry out its responsibilities to the public.

The commission's annual report for the fiscal year ending March 31, 1970, showed a total surplus of \$1.19 million. The bulk of these surplus funds resulted from operations of the Whitehorse plant which commenced supplying the Anvil Mine with electrical energy in August, 1969. Under section 16(2)(a) of the act, repayment of principal and interest need not be commenced until the year following completion of a capital budget, and in the case of Whitehorse it was decided not to commence repayment of the loan—\$10 million for the addition of new generating capacity and transmission facilities—until this year. The surplus has been delegated to surplus and contingency funds, consistent with good financial management practice, wherein it will be available for further plant improvement.

Consideration was given to applying a portion of this surplus to effect a rate reduction to customers, in this case the Yukon Electrical Company. However, part of this surplus will be required in the near future to provide peaking capacity and other plant improvements. It was therefore decided to delay action in this regard until the situation became a little more clear. There would be little point in lowering rates by what would be a relatively small amount, only to have to set them back at the old level within a short time.

● (3:20 p.m.)

The commission's record of rate reductions over the years deserves to be mentioned. In 1958, when the Whitehorse hydro plant began operating, the commission sold power to its customers at a wholesale price of 2½ cents per kilowatt hour. Successive rate reductions have brought the commission's price down to 1¼ cents per kilowatt hour, exactly one-half of the original wholesale price.

The Northern Canada Power Commission is one of the important instruments of development in the north. It also ensures that as far as practicable power costs to domestic, commercial and industrial customers are at the lowest possible level. By providing electric power at cost, the commission serves to encourage both better living standards for our northern residents and to help in promoting orderly commercial and industrial development.

The government's commitment to northern development is again borne out by the fact that the Northern Canada Power Commission has supplied power to all major resource undertakings north of 60. These include Giant Yellowknife Gold Mines, Discovery Mines, the

Northern Canada Power Commission Act

Imperial Oil refinery at Norman Wells, Pine Point Mines, United Keno Hill Mines, and the Anvil Mine. Possible new power loads to developments now under study include Casino Mines, Kerr Addison Mines, Hudson's Bay Mining and Smelting, Cadillac Exploration, Cassiar Asbestos and the building of oil and gas pipelines along the Mackenzie River. The commission's position in the northern power field is underlined by the value of its capital assets at a cost of \$60 million, and by the fact that it generates over 75 per cent of all hydroelectric power in both territories.

The government is well aware that power planning must take environmental factors into account. Thermal power does create air pollution. Hydro power developments alter the natural terrain. Every proposed development must be weighed against the alternatives, and the selection of a development plant must take environmental factors into account. The Northern Canada Power Commission will be considering these factors when making its decisions.

Providing sufficient northern power in the years ahead will require innovative thinking, effective management and the development of high capital cost generating capacity. This will most likely be in the form of hydroelectric plants and associated high voltage transmission lines. The commission is aware of future requirements and is developing plans accordingly. The publicly-owned sector of the utilities industry—which in northern Canada, as I have indicated, is by far the larger segment—must also be service-oriented and responsive to the needs of the people and industries it serves. Hence, the commission's concern with development in the years ahead must be matched by an equal concern for the welfare of northern residents and the protection of northern lands and waters.

Mr. Erik Nielsen (Yukon): Mr. Speaker, when I saw the minister in the House this afternoon I thought he was here for the purpose of dealing with a very important piece of legislation, the bill now before the House which appears ostensibly to be rather innocuous but is far-reaching in its effect. Instead—and I mean to cast no personal reflection on the Parliamentary Secretary—the minister has left a boy to do a man's job, a member who has simply read by rote from a speech that had been prepared for him, obviously not by any member of the commission for they know that the NCPC is not a Crown corporation but a Crown agency whose chairman is the deputy minister of the Department of Indian Affairs and Northern Development. So that is the first correction that has to be made.

I was going to ask the Parliamentary Secretary for a copy of the speech from which he read but, as is usually the case when anything is being said by the NCPC or on its behalf either in this place or in committee, it is so utterly devoid of facts as to be absolutely useless. But even more seriously, it is grossly misleading to the members of the House who have to consider this legislation.

The Parliamentary Secretary has attempted to explain small plant losses. He has attempted to explain why the amendments are being brought forward to deal with the