

and face the facts of life. Policies are designed in the department. The hon. member for Northwest Territories knows that his constituents, particularly those in Yellowknife, have been crying out for years for the establishment of some sort of control over rates. The only way that will be achieved is by establishing a public utilities board. A public utilities board, being an independent body, would be able to review rates and to approve rates proposed by the NCPG.

Another glaring shortcoming in the policies of NCPG is the fact that it does not have agreements for the sale and purchase of power. It now supplies power as a wholesaler to distributors in the Yukon and Northwest Territories. In many instances, where huge dollar amounts of power are supplied, there is nothing in writing. No other business operating in a sound and prudent commercial way adopts such loose policies. The agreements do not exist despite the repeated verbal and written requests of the distributors to have NCPG enter into a contract for the sale and purchase of power.

The history of the private distributor and the private generator in the Yukon is very interesting. In 1958, the existing owners of the private distributor in the Yukon acquired ownership of that entity. Prior to that purchase, Mr. Speaker, Yukon Electrical Company had made verbal inquiries at the federal government level, the territorial level and in the Whitehorse business community. All of these inquiries elicited approval of the acquisition. This required a substantial outlay of funds by the system then owned by the Yukon Electrical Company Limited. The previous owners of that company had been very hard pressed for the necessary money to meet expansion. Efforts to attract capital, including prolonged negotiations with such financial suppliers as the Industrial Development Bank, were unavailing.

At the time of acquisition of Yukon Electrical Company by Canadian Utilities, the distribution system and the diesel plant were in very poor repair. The service was very unreliable and the rates were extremely high. I wonder how many members in the province of Ontario and other provinces would be surprised to learn that my electric light bill in Whitehorse is \$48 per month. The average electric light bill, on a monthly basis, in the Whitehorse area is between \$15 and \$25 per month. These rates are based on a maximum of five cents per kilowatt down to a minimum of 1.6 cents. Compare those rates with the rates existing in southern communities. Compare those rates with the power being supplied in the more northerly communities where diesel fuel has to be hauled in by air transport and other high cost means. The electric power bills for domestic, industrial and government users in those areas are astronomical.

The new owners, having purchased the assets of Yukon Electrical Company Limited, immediately undertook the reconstruction necessary to bring safety and service levels to an acceptable standard under the Canadian Electrical Code. In 1957, the lowest level on the step was five cents a kilowatt. This has been reduced over the years. Today it is 1.6 cents. The new owners undertook an expansion program which was designed to bring central station service to the smaller communities in the

Northern Canada Power Commission Act

Yukon. This was encouraged by the government. With the encouragement of the then commander of the northwest highway system, when the army was still a substantial force in the Yukon—

Mr. Dinsdale: I thought there was a new policy of military persons in the north.

Mr. Nielsen: There is a new policy. We are led to believe that it is for the purpose of establishing Canadian sovereignty in the Yukon, which I never doubted belonged to Canada. There are four members of the military. They are to resist any encroachment of our sovereignty in that territory.

In 1958, the commander of the northwest highway system encouraged the company. A diesel plant was installed at Haines Junction, 100 miles west of Whitehorse. Service was provided to the Department of National Defence maintenance establishment at that point and the property of the Department of Agriculture experimental station at Haines Junction. I am very sorry to say that is no longer in existence. It was an integral part of the promotion of agricultural development in the Yukon. It is now going to pot. I thought I should add that, since the minister is in the House. It was a very sad decision.

In 1959, the company acquired a small existing diesel plant at Watson Lake, 300 miles east of Whitehorse. At that time the users of electrical power at that location were paying 25 cents per kilowatt hour for their electrical power. The service has now been extended to the entire community. A private supplier is supplying power to the Department of National Defence maintenance establishment at that point and the Department of Transport establishment seven miles away. Private enterprise constructed a distribution line to the airport location. In 1958 the lowest rate at Watson Lake was 25 cents a kilowatt. Since 1965, the rate has been 3.5 cents. I cite that as a classic example for those proponents of a public board in the Yukon who say that private investor owned utilities cannot do the job of supplying power at low cost to domestic and industrial users.

The territorial government of the day and the individual members of the council urged the Yukon Electrical Company to instal facilities in Carcross, 48 miles south of Whitehorse, and Carmacks, 100 miles to the north. In 1960 diesel plants were constructed at both of these locations. At Carcross, 17 miles from that community, a new mine was put into production this year. In each instance, franchise agreements were obtained and entered into with the commissioner of the Yukon. The company subsequently acquired diesel generating and power facilities that belonged to the Canadian army, the Department of Transport and other government agencies throughout the Yukon. It succeeded in combining all of these tangential power developments into one closely knit efficient power system.

• (4:10 p.m.)

What, I ask Members of this House, was the Northern Canada Power Commission doing all this time, operating under a statute which required them to supply and dis-