

under the NCPC arrangements, there are bound to be problems, and that was exactly the case.

These findings caused the committee to recommend that the federal Government enter into discussions with the territorial Governments for the purpose of creating separate territorial Crown corporations to assume present NCPC responsibilities. In 1985, the then Minister of Indian Affairs and Northern Development reached a memorandum of understanding with the Government of the Northwest Territories. This MOU led to negotiations between the federal Government and the Government of the Northwest Territories and resulted in an agreement in principle. That agreement in principle was signed on February 8, 1988.

The principles which governed the sale and transfer of NCPC to the Government of the Northwest Territories called for a speedy process. The agreement in principle actually mentioned a date of March 31. As has already been noted, we have missed that target date because of the Easter recess of Parliament, but not by very much. We in this Party support in principle the thrust of this Bill and we want it to be passed quickly. The Northwest Territories Legislative Assembly passed its legislation on the target date, March 31. Its resolution has now received assent from the territorial Commissioner.

After the transfer, the Government of the Northwest Territories will continue to operate the utility on a commercially viable basis. The objective of the transfer is to achieve a fiscally responsible, self-financing and dependable utility operation providing power to the North at reasonably stable rates. Viability, however, will not exclude certain social obligations of the Government of the Northwest Territories, and I will return to the social obligations a little later.

The agreement does not write off totally the existing debt of the Northern Canada Power Commission as the subcommittee had recommended, but NCPC's long-term debt of some \$96 million will be replaced by a new capital structure. This capital structure will be composed of a promissory note of \$53 million and share capital of \$43 million. These two items, amounting to \$96 million, will be sold to the Government of the Northwest Territories for \$53 million in cash. However, the Northern Canada Power Commission has some retained earnings of \$25 million, and these, I understand, are included in the transfer price. Therefore, if my arithmetic is correct, the total cost to the Government of the Northwest Territories would be about \$28 million, and on top of that there is to be some Public Works housing transferred to the Government at no cost, and I will return to that a bit later.

The rate of return on this \$43-million worth of shares will allow the Government of the Northwest Territories to continue its program of subsidies for remote communities. The federal Government's obligation for those power subsidies will be discontinued. This is an important concern to me because these remote and isolated communities depend on electricity produced by oil-burning generators. The cost is high to these

people. There is the maintenance factor to be taken into account as well. At times, the climate is extremely cold. Many of the people who live in these communities are living in or very close to poverty.

The agreement also recognizes the desire of the Government of the Northwest Territories to relocate NCPC's head office from Edmonton to the Northwest Territories. The background paper from the Minister notes that the head office employees in Edmonton will eventually be relocated to the Northwest Territories, so there still seems to be a delay factor there. My friend from Western Arctic, however, has pointed out that where the headquarters are to go is now no longer in the hands of the Government of Canada but is up to the Government of the Northwest Territories itself.

I am curious, and I have not found the answer anywhere, about where exactly the revenues from the sale of the headquarters in Edmonton will be directed. I assume for the moment that they will go into that big drawer that we have here in Ottawa called the Consolidated Revenue Fund. When I first came to Parliament, I had the idea that money was actually divided up in different places. Then someone told me that that is not true, it is all in one big drawer called the Consolidated Revenue Fund, and all of that reference to envelopes is really a good deal of mythology.

The agreement in principle, and this is absolutely the most important part of the legislation and the agreement, called for the equitable treatment of Northern Canada Power Commission employees. To the best of my knowledge, having studied the Bill with some care, I think that concern is reflected in Bill C-125.

● (1550)

All employees of NCPC will become members of the Northwest Territories Public Service. They will maintain their current positions within the utility if they so wish. Those employees who are unionized will continue to have their own bargaining unit but at the same time they will become part of the union of northern workers. Wages and benefits will be comparable to those now enjoyed. In fact, I believe they are going to get some additional benefits, including a dental plan and maternity leave. Past service will be recognized for purposes of severance, seniority, and pensions.

The agreement in principle also made reference to housing, and I referred to that a moment ago. They saw housing as being necessary for the continued operation of the utility, so Public Works Canada housing will be transferred to the Government of the Northwest Territories at no cost. That is part of the deal. This will be an important factor for those employees of NCPC who decide to relocate to the North and become N.W.T. public servants. They will want to be assured that they will have good and affordable housing.

The agreement envisages the possibility of a role for the private sector. The Government of the Northwest Territories