

(Text):

## NORTHWEST TERRITORIES POWER COMMISSION BILL

### SECOND READING

**Hon. A. K. Hugessen** moved the second reading of Bill T2, an Act to amend the Northwest Territories Power Commission Act.

He said: Honourable senators will recall that in the year 1948 parliament passed a statute, being chapter 64 of the statutes of that year, respecting the supplying of electric power in the Northwest Territories. This bill has for its sole object the extension of the application of that Act to the Yukon Territory.

Perhaps honourable senators will be interested to know what progress has been made in the construction of power plants in the Northwest Territories since the Act was passed, under the powers conferred on the commission set up by that measure.

Since October 1948 the commission has operated, on a self-sustaining basis, a hydro electric power development on the Snare River; 94 miles northwest of Yellowknife, and now supplies power to gold mines at Yellowknife, and to the Yellowknife Power Company Limited for distribution in the town of Yellowknife. Power is supplied at a price calculated to meet operating and maintenance costs and interest charges on capital investment, and to amortize the capital cost over a period of twenty years.

At the present time the commission is constructing, and will have in operation during the present year, a second plant to provide diesel-generated electric power at Fort Smith, in the Northwest Territories, which will supply electric power on a self-sustaining basis to the town of Fort Smith and to the various federal government establishments located there. A similar plant is being constructed at Hay River, in the Northwest Territories, and it is expected that it also will be in operation before the end of the present year.

During 1949 surveys and investigations were carried out on behalf of the government to determine the feasibility of hydro electric power development on the Mayo river, in Yukon Territory, and consideration is now being given to the construction of a hydro electric plant on that river. This project, which would provide an initial development of 4,000 horsepower, with provision made in the dam and hydraulic tunnel for an additional 2,000 horsepower, would cost approximately \$3 million. This sum includes the cost of constructing a twenty-seven-mile transmis-

sion line from the power site to the property of United Keno Hill Mines Limited.

The purpose of this bill is to extend the application of the Northwest Territories Power Commission Act to the Yukon Territory, and thus enable the commission to render in the Yukon Territory a service similar to that in the Northwest Territories.

**Hon. Mr. Horner:** Will the cost of this extension to the Yukon Territory be paid entirely by the government?

**Hon. Mr. Hugessen:** In the first instance, of course, the money for the construction of the plant will be provided by the government. But I understand that, as has been the case with the other developments which have been undertaken under this Act, power contracts will be entered into under which the power will be paid for by the consumers, mostly mining companies, at a rate which within a reasonable period will amortize the cost of the construction of the plant.

The motion was agreed to, and the bill was read the second time.

### REFERRED TO COMMITTEE

**The Hon. the Speaker:** When shall the bill be read the third time?

**Hon. Mr. Hugessen:** If any honourable senators wish to obtain further information on this matter, the bill can go to a standing committee. If not, as it is quite a simple bill, perhaps it could be given third reading. In this matter I am entirely in the hands of the house.

**Hon. Mr. Kinley:** It is quite an important bill. I think it should go to committee.

**Hon. Mr. Crerar:** I suggest that it would be useful to have it referred to a committee, where we could usefully get information as to whether adequate amounts for maintenance and depreciation are charged against the earnings of the plant. Sometimes government enterprises of this kind have a way of travelling along rather easily. I think it would be a useful check, in order to ascertain what it has cost, how it is operating and whether there is a fair prospect of it continuing to operate profitably in the future. I am particularly interested in acquiring some further information on the proposal to establish a diesel electric light plant at Fort Smith. All this information would be useful to the members of the house, and could be obtained in committee.

**Hon. Mr. Hugessen:** If it is the desire of the Senate, I shall be glad to have the bill go to committee. As the Committee on Transport and Communications is meeting