

Northern Canada Power Commission Act

water system. This was prior to the departure of the mining operation of the area, Yukon Consolidated Gold Corporation. This was a field in which it had operated as a monopoly for over half a century. Later, Mr. Humphrys, who was the general manager of NCPC in Ottawa, said in public that the commission could not justify the spending of public funds in such a venture because of Dawson City's uncertain future. That was the end of the first chapter written on the opportunity on the part of NCPC to fulfil the reason for which they were established.

In 1964 a private company, Yukon Electrical Company, attempted to negotiate the purchase of the Dawson electrical system, and got nowhere. It is interesting to note that the NCPC would not do it and neither would they give it to anyone else. The chairman of the commission is also the deputy minister. I can imagine him juggling his hats, receiving an application from Yukon Electrical Company to do the Dawson City job, saying no to that company and then putting on his hat as chairman of the NCPC, replying to himself as deputy minister and speaking as chairman of the NCPC, saying, "NCPC would not do it." This is a great state of affairs. That body ought to be a Crown corporation.

Mr. Dinsdale: Hear, hear!

Mr. Nielsen: It should not be a commission whose chairman is the deputy minister, through whom the commission chairman must report. He must have a gay time at annual report time, reporting to himself. In 1965 the same private company, Yukon Electrical, tried again. It confirmed its offer to provide electrical generators and to take care of the operation of the water system for Dawson City. The result, again, was nil. The Yukon Electrical Company at that time guaranteed to supply the electrical services as soon as Yukon Consolidated Gold Corporation closed down in September, 1966. They pointed out that the capital would not come out of public funds, that the company was operating other, similar diesel plants and was well equipped to enter into a franchise agreement with Dawson City. Also, they said that the company's facilities would be added to the tax rolls of the community. This brings me to another point.

The government has been saying, "We can supply your electrical power at lower cost." The residents of Dawson City are finding, to their sorrow, that this is not the case. The government authority pays no interest on its investment, whereas private capital does. It pays no fuel taxes in the Yukon, although it does in the Northwest Territories. It has all these fringe benefits in order to compete with private capital, and still the government cannot do it. These amendments would give the commission more power. All this is done for the sake of complete state control.

In 1966, to carry on with the sad saga of Dawson City, the deputy minister of the day, Mr. Côté, who was also chairman of the NCPC, wrote that there were several reasons why it was deemed better and in the public interest—we heard the same words spoken today by the Parliamentary Secretary—to develop this entire project

[Mr. Nielsen.]

with federal government financing. The power portion was to be operated on a self-supporting, self-liquidating process by NCPC. The act says it is to be self-sustaining. In other words, the answer was the usual no to private enterprise; the government said, "We will run it ourselves."

Let us see what the picture has been in Dawson City since the commission went in there. I am reading from their financial report. Their loss for the year 1967-68 was about \$39,000. Their loss for the year 1968-69 was \$13,823. Their loss for the year 1969-70 was \$10,590. There are some pretty nice losses in other plants as well. In particular I have picked out Fort Simpson, where they suffered a loss, and Frobisher, which suffered a dandy loss of \$17,000 according to the last statement, and Chesterfield, which suffered a \$5,000 loss. Only marginal profits were made with the other operations, the exception being, perhaps, Pine Point. The Parliamentary Secretary's speech writers are trying to convince the House that these losses will not be set against revenues obtained throughout the whole system. If he believes that, he is less intelligent than I give him credit for being.

In 1968 there was a closed meeting in Whitehorse. The problems of Dawson City were discussed, problems posed by the high cost of power production. These questions were faced by the federal, territorial and municipal representatives. It is my understanding that the session had been called because it was discovered that it was costing \$90,000 to operate the water system for 200 outlets at Dawson City. Half that amount was recovered; the remaining \$45,000 was to be forked out by the territorial government. No business will ever take over a utility under those conditions. I will not continue with the sad saga of Dawson City. That is the tale of only one area into which the NCPC has ventured.

• (4:10 p.m.)

We speak of the obligations of the commission with respect to northern employment. It is a pity that instead of reading from the notes which he was provided, the Parliamentary Secretary did not take the trouble to read the minutes of the Standing Committee on Indian Affairs and Northern Development. The actual statistics are set forth there as to the efforts made by private enterprise as opposed to NCPC in the employment of our native peoples. Some of the members of that committee had the opportunity of travelling throughout the Northwest Territories and the Yukon in order to take a comparative look at the two operations. In Watson Lake they saw a diesel electric power generating and distribution facility that was being operated with a total staff of three. It was automated and required only three persons to operate it. A similar operation is being carried out by NCPC in the Northwest Territories. They are operating with a staff in excess of 20. The excuse given is that they run the boilers in the hostels because it is in keeping with a homogeneous operation in the generation of power.

The Parliamentary Secretary does not know a grid from a waffle iron. When he presented the kind of arguments contained in the notes that were prepared for him,