

Northern Canada Power Commission Act

referred to the discouragement of private investment in the north. Perhaps I should say more correctly that the reference was to the uncertainty about whether the government wanted private investment to be involved. This would seem to be the essence of the principle involved in Bill C-193. I would interpret the bill as a disincentive for private investment and I believe the remarks of the hon. member for Yukon (Mr. Nielsen) yesterday clearly indicated what could happen in northern Canada, in the Yukon Territory and in other parts of Canada if this bill were passed. As the hon. member for Yukon indicated, the jurisdiction of the commission is certainly much more extensive than merely the Northwest Territories and the Yukon. This view is borne out by the property the Commission has acquired outside this area.

Yesterday, in referring to the NCPC activity in the northern part of Canada, the Parliamentary Secretary mentioned the breakdown of the investment in power between government and private enterprise. As recorded at page 2590 of *Hansard* he said:

The federal government, largely through the Northern Canada Power Commission owns approximately 75 per cent of the generating capacity in the north with 10 per cent being controlled by three private utility companies and 15 per cent being controlled and operated by private organizations primarily associated with mining operations.

In reflecting on this the Parliamentary Secretary, of course, is acknowledging quite rightly that the NCPC and the government are not the only agencies responsible for distributing power in northern Canada. He is acknowledging the fact that 25 per cent of the investment in that part of Canada is private. I believe the hon. member for Yukon elaborated on this, and perhaps clarified it somewhat, when he said some \$250 million has been invested by private companies in the distribution of power and in the provision of utilities in parts of northern Canada where the commission itself found it impossible or not feasible to provide services of this kind.

Again, in advancing the position of the government, the Parliamentary Secretary indicated the reason for the amendments. As recorded at page 2591 of *Hansard*, the Parliamentary Secretary stated:

The act we are considering today, Mr. Speaker, was last amended in 1956. It is being amended at this time so that the commission can adopt a more flexible approach in meeting northern needs and in planning future long-term power development in both territories.

Perhaps the key phrase in that expression is "a more flexible approach". The government is planning a more flexible approach. I think I should indicate that, although the statement here is not very explicit, it is very important in terms of its implications. The quotation continues:

The proposed amendments are as follows—: One, to increase the number of commission members by two. Two, to change the amount of the investigation or studies' fund from \$50,000 to \$250,000. Three, to allow the commission to set regional rates rather than to charge on the basis of individual plants costs.

Perhaps the following could be considered the key amendment proposed in Bill C-193.

Four, to allow the commission to defer repayments of principal and interest where new capacity is in excess of immediate demands.

[Mr. Lundrigan.]

• (3:40 p.m.)

Five, to eliminate the requirement that the commission obtain Governor in Council approval to undertake any project or enter into any contract in excess of \$50,000.

The first thing that strikes me, having read the proposed amendments under Bill C-193, is that certainly we have to accept the argument that by not requiring each plant to operate as a most efficient unit we are actually encouraging inefficiency. The commission, and this has been stated repeatedly in reports and in hearings down through the years, was charged with trying to despatch its obligations with efficiency. Each unit was responsible for reporting to the government its operating costs, the generated revenue, as well as circumstances which would result in a loss by that unit because public tax dollars would have to be used to offset such loss.

It seems to me the amendments which are being proposed indicate that the government is asking all the units to pool their reporting, and in reporting to government to indicate in a general way what the situation is in respect of the distribution of power by the commission. In that respect it certainly will not be obvious to the Canadian taxpayer or resident of the Yukon or Northwest Territories exactly how successful each unit is in returning to its ratepayers some of the generated revenue through a reduction in rates.

The hon. member for the Yukon indicated yesterday a second position which is certainly worthy of notice, and that is that some of the operations in northern Canada have been so efficient that one of them declared a profit of 600 per cent in one year. Of course, the hope has been that at least some of the revenue would go to the constituents—and here I am using the word "constituents" in a general sense—in the form of a reduction in the cost of power. What we are going to get now, according to the hon. member for the Yukon, is actually an increase in taxes for the people in those areas where operations have been efficient and where the return has been the greatest. In other words, according to the reports made to the House yesterday, some areas will be receiving the benefit of the efficiency in other parts of northern Canada.

Perhaps the most serious aspect of the legislation is the lack of incentive to private investment in the north and the uncertainty as to whether any private dollar should be invested in the Yukon or the Northwest Territories. I contend that this has tremendous relevancy to the whole question of northern development which has, to a large extent, been the area of development in Canada in the last decade. In 1969, the Yukon Electric Company indicated to the committee that they were very concerned about the position of the government with regard to private investment. As a matter of fact, the question of whether the government wanted private investment in northern Canada was raised specifically by that company.

I believe it was last Wednesday that one of the members from Canada's newest province raised a question in the House directed to the Minister of Finance (Mr.