

Northern Canada Power Commission Act

become available at the end of March in each year. The financial statement was delayed for months before I got it. If the amendments to this act are passed, members will never see that kind of statement again in respect of the operations of this company. I challenge the Parliamentary Secretary to gainsay me on that. Right now we know the plant is operating at a profit in some locations and at a loss in others. Right now we know the rates charged to government installations at these various locations, compared with the rates charged the ordinary user. Right now we know that the profits from one location are being applied to pick up the losses on the whole system.

The government, through the Parliamentary Secretary, has asked us to believe that real equalization will not be applied except on a regional basis, and that the profits from large consumer areas will not be applied to pick up the losses of the smaller consumer areas. I would assume that when he uses the term "regional", he means geographic region. He certainly would not want to include an area embracing places in the Keewatin, the Mackenzie and the Yukon in order to make up the region.

If that should be the case I ask how, in all that is reasonable, is the NCPC—if it has to take the whole eastern Arctic region—to become a profitable producer, especially when its operations are continually broken up into projects like Frobisher and Cambridge. One has only to look at the financial statements to realize that such an assertion is as hollow as it is foolish. It does not seem realistic that places such as Inuvik, Frobisher and Cambridge, which are mainly creations of the federal government, should be supported by the consumers of Whitehorse. That is precisely what will happen.

It should be government policy that these plants be supported by the taxpayers of Canada as a whole. That was the original concept of the act, and conditions in the north have not changed so as to justify any alteration of that concept. All that has changed is that they have a pretty viable economic unit now in the Yukon, whereas there was only one mine producing at the time the NCPC went into Mayo. Even the much vaunted Mr. Carr of the royal commission and his colleagues who studied the economic prospects of the Yukon in 1968 grossly underestimated the growth of the territory when they said its mineral production in 1975 would reach the level it has reached this year. That is the reason the NCPC is there.

The Parliamentary Secretary mentioned Anvil Mining Corporation. Let me tell the House about events there. Upon realizing that the officials of NCPC and the department had better get in and skim off the cream of the operation and establish a solid base for state-owned power in the Yukon, it was decided that when dealing with the officials of Cyprus Mine and the major shareholders of Anvil Mining Corporation, in addition to other federal aid granted to bring that mining operation into production they should have federal assistance in respect of access roads and other facilities in order to supply power. That was the decision the government made. It was not a decision made by Anvil Mining Corporation or by Cyprus. Indeed, I strongly suspect, although I have no evidence for putting it forward as a fact, that the govern-

ment said to Anvil at that time, "We will provide the monetary aid you need in order to come into production, in keeping with our general developmental policy in the north, provided you will take your power from NCPC."

● (3:50 p.m.)

The government had to do that because there was private enterprise in the area willing to do it. Although it may be difficult to obtain an admission in this regard from officials of the NCPC or from the deputy minister, the Yukon Electrical Company, before that decision was made by government, said, "We are prepared to build the generation and the distribution facilities to supply electrical energy to this mining operation," and the government said, "No, we are going to do it." Yukon Electrical then said, "Let us bid, and see who will do it at the lowest cost," and the government said, "No, we are going to do it." Yukon Electrical then said, "Let us bid on the basis of rates. Perhaps we can supply it at a lower rate than NCPC". Again the government said, "No, we are going to do it regardless of the cost."

The same story can be told of the events that led to the acquisition by the Northern Canada Power Commission of the facilities in Dawson City. Again an offer was made to the government by Yukon Electrical to take over those facilities and to provide power at a rate less than that now being charged to the consumers in Dawson City. The Parliamentary Secretary read from his script that the intention of NCPC is to supply power at the lowest possible rate. Tell that to the people of Dawson City, where private enterprise, had it been allowed to go ahead, would be supplying power to the consumers at a rate lower than they are being charged today. The Parliamentary Secretary speaks about rate reductions as though the commission is being extremely magnanimous in passing on these rate reductions. Let me tell the House that every single rate reduction made to the distributor in Whitehorse has been passed on to the consumer and, further, that Yukon Electrical have applied their own rate reductions to the consumer despite none being given by NCPC.

In committee we heard the argument of the deputy minister, John MacDonald, who said that NCPC can supply power at less cost to the consumer than private enterprise. I asked him, "How do you know?" His answer was, "We don't have the attendant cost of borrowing money." Mr. Speaker, the assets of NCPC are in the neighbourhood of \$60 million, but the assets of the International Utility Company, which is the controlling shareholder of Yukon Electrical Company, are in the order of \$250 million. Yet the deputy minister had the audacity to say in committee that private enterprise is not capable of raising the capital to establish these facilities in the Yukon and in the north generally. Again, that is rubbish. Let me also inform hon. members of the House that the Yukon Electrical Company, through its new majority shareholders, offered to buy the whole of the plant and generating facilities of the commission in the Yukon at one fell swoop. Again, naturally, they were refused.

I am now directing my submissions to the House to the relative merits of private, investor-owned utilities as