

terms for this transfer also recognize other aspects of our recommendations, namely, the provision of the flexible bond arrangements to prevent consumer costs from escalating to unacceptable levels during those periods when local power loads are insufficient to permit economic use of major hydro facilities such as is sometimes the case at the Whitehorse No. 4 structure.

● (1650)

Through Bill C-45 we are ratifying an agreement between Canada and Yukon to transfer the Yukon portion of the Northern Canada Power Commission from the federal Government to territorial control and ownership. I want to say how pleased I am that in that agreement there is to be a freezing of power rates for the next two years. I take satisfaction as well from the fact that job security will be provided for all the Yukon-based employees of the Northern Canada Power Commission. That is a matter which came up subsequent to the report. I strongly urged those in the decision-making role in Yukon to ensure that employee interests be protected in a fair and equitable manner. I have every reason to believe that that is the case unless something develops of which we are not aware at the moment.

Members will note, as indicated in the Minister's speech, that not all of the existing debt has been written off but that the debt has been written down. There is a little confusion with regard to the figures. Perhaps in Committee of the Whole I might ask the Minister about this. The Minister's statement indicates that the current debt on operations is an estimated \$128 million. My information is that the total debt amounts to \$142 million. Perhaps there is something other than the operational side involved. I would appreciate an explanation from the Minister on that later.

Nevertheless, whether it is a total debt of \$128 million or \$142 million, the fact is that it has been written down by the Government of Canada to \$95 million, which reflects the true value of the NCPC assets in Yukon. The Yukon Government will put up \$19.5 million in cash and the Government will turn the same amount of debt, \$19.5 million, into equity. Of the \$95 million we are left with \$56 million. I have already referred to the flexible financing arrangements, the \$60 million bond of the federal Government on commercial terms, and another \$40 million on flexible terms and conditions.

I had a meeting with Mr. Penikett, the Leader of the Government in Yukon, and he told me that he and the other members of his Government are pleased with the terms and conditions. If that is the case, far be it from me to say that they could have got a better deal. I accept their decision and view that this is a satisfactory arrangement with respect to price and financing.

I believe I am correct in asserting that the Northern Canada Power Commission was a target for privatization. I may be corrected, but I think it was on the list of the Minister of State for Privatization (Miss McDougall). I am pleased that the Government of Canada has agreed to Yukon retaining public

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ownership through the Yukon Development Corporation. A new public sector group is not being created in Yukon at this time to manage the assets that are being transferred from the Northern Canada Power Commission. Instead, and I think this will interest the House, a private sector contract management was selected. This approach effectively combines the benefit of public sector ownership on the one hand and efficient and effective management from the private sector on the other. That is suited to the present needs in Yukon.

Of course, the future may change all that. As Yukon continues to develop and in due course achieves provincial status, it may very well want to follow the pattern which is standard across the country except, I think, in the Province of Alberta where there are entirely publicly owned electrical utilities. At that time the Yukon Government may decide it wants its own electrical power commission, Yukon Hydro or whatever they want to call it. I want to stress that by way of this transfer agreement that option remains open even though for the present time the assets will be managed by the Yukon Electrical Company Limited which is a private sector company.

I will conclude by saying that this Bill represents an important step forward as the Minister indicated in his remarks. There remains now the problem of how to do something similar in the Northwest Territories. There are some different issues there. I think that in some ways the situation there is a little more complex, although I would yield to the opinion of the Hon. Member for Western Arctic on that point. There are some unresolved questions such as the matter of division of the Territories. The Minister and I have had private discussions from time to time about the very high-cost diesel generating units which are scattered throughout the Eastern Arctic and how they could be best managed and controlled by the Government of the NWT.

I believe this is a difficult and more complex challenge than that in Yukon. If we were dealing only with the Western Arctic I think we could quickly put the same plan into effect. However, when dealing with the entire Northwest Territories the Eastern Arctic poses additional difficulties. I hope that we will not back away from those challenges and will carry out the rest of the recommendations in the report of the special subcommittee to make a similar transfer there at the earliest possible time.

Mr. Jim Fulton (Skeena): Mr. Speaker, I, as well, am pleased to speak this afternoon on Bill C-45. I do not think it would be appropriate to speak on this Bill without paying tribute to the hard work done by the Minister in relation to all the negotiations on this Bill. I would like to pay tribute as well to Tony Penikett, the Government Leader in Yukon, and to my colleague, the Member for Cochrane—Superior (Mr. Penner), who has just spoken. It is hard to pat oneself on the back, and I am glad to do it for him. I know how much work he and other members of that committee did in 1982, particularly in taking a long look at what could realistically be done for Yukon and also for the NWT.