

The same story can be told of the Northern Transportation Company, which also comes under the minister's responsibility. The same story can be told of the formation of Eldorado Aviation. During the war years, the formation of these two companies was essential because they were producing a strategic mineral, uranium, and there was no other way the product could be transported to market. I well remember the debates in the committee which considered the continued usefulness of the Northern Transportation Company, I believe in 1958, and the continued operation of Eldorado Aviation.

At that time the functions and operations of the Northern Transportation Company could have been assumed by a private entrepreneur. They had expended considerable investment capital in providing that transportation service. They could have purchased the government-owned Northern Transportation Company. That is not what happened. The private enterprise was gobbled up with the support of the huge financial coffers of the federal government.

Pacific Western Airlines offered to purchase the assets and operations of Eldorado Aviation. I cannot understand why, in this world of today when investment capital is being spoken of by the government as being continually encouraged, there should be an Eldorado Aviation Company at all, with private enterprise willing to assume the task that is being discharged by this company, supported by the Canadian tax dollar. That is precisely what will happen here. In spite of the assurances which the Parliamentary Secretary read, rate equalization will not mean that the rates of large consumers in one area of the north, as he was pleased to describe them, will be applied to loss leaders in other areas of the north. That is precisely what will happen.

If we look at the financial statements of the commission for 1966-67 and subsequent years, we will find that the profits the commission made on the Whitehorse operation paid off the losses on the whole system. When the Parliamentary Secretary refers in a very casual way to the extent of these profits in the Yukon, let me remind the House that in the 1969-70 fiscal year this income amounted to \$828,853. This exceeded by almost 600 per cent any other producer, including Pine Point.

Let me put it in percentage terms and tell the House that the income on the Whitehorse operation alone, given only eight months of operation, increased by 600 per cent and the sales increased by 100 per cent. Yet the Parliamentary Secretary stands here and reads to us that it is not the intention of the commission or the government to apply these profits to the losses on other parts of the system. That is rubbish; that is precisely where the profits will be applied. We in the Yukon ask: Why should the Whitehorse consumer pay for the loss in Frobisher Bay because of government extravagances there? Why should Whitehorse consumers pay for losses in Inuvik and Cambridge Bay? Why should they have this burden, any more than the residents of British Columbia should have the burden of supporting equalization in Nova Scotia? It should be done with tax dollars, but not with the con-

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sumers' payments for electric power in Whitehorse or anywhere else where the system is making a profit.

• (3:40 p.m.)

That was precisely the reason for writing in the original legislation that each plant should be self-sustaining. That was a good, sensible principle then and there is no reason why it should not continue to be a good principle. Every year, in respect of the estimates of consumption the explanation given was that the plants were to operate on a businesslike basis. If they were suffering losses because of the nature of the business of the company, or if they were required to supply electrical energy to an area of Canada where private enterprise capital was unwilling or unable to go, the losses should be picked up by the general tax dollar. I submit it would be grossly unfair to the Canadian who lives in Whitehorse and who pays the same taxes as everybody else to add to his burden the tax which would be necessary in order to carry the losses of a government operation in other parts of the country.

When we look at the gross picture for the Yukon it becomes very obvious that with the exception of Whitehorse—I ask hon. members to refer to the 1969-70 financial picture—all other points served by the facilities of NCPC maintain in a general way the same profit or loss position which they had in the previous year. I have already pointed out that the Whitehorse operation had a 600 per cent gain in net income and a 100 per cent increase in sales. When examining the figures it is interesting to note that even in respect of the Talston River, Pine Point, system the commission realizes the same percentage of profit on sales as in the Yukon. It would seem to me this must be due to the fact that the major income of that system is coming from a mine, and hence the selling price of the energy has been priced as low as possible.

I charge that the officials of the NCPC have been aided and abetted by a succession of commission chairmen who have been deputy ministers of the department. These chairmen have been deliberately misleading in respect of the evidence they have adduced before the committee and the evidence they have supplied to their respective ministers. There can be only one motivation for this kind of evasiveness or this kind of misleading on their part. The motivation is that they want private capital out of the north so far as power-generating facilities are concerned. Private investment wants to know one thing, that is, whether it is wanted there. This is precisely what they asked at the hearings in 1969. Again, the answer was evasive. They want to know whether their capital is welcome in development efforts in the north, because if not they will put it somewhere else. This is what one of the officials of Yukon Electrical asked when he appeared before the committee. Did he receive an answer? He did not.

In the past two years, like other hon. members, I have received the annual report of the northern Canada Power Commission. In addition, I have asked for the comprehensive financial statements of the commission. These