

Northern Canada Power Commission Act

years ago, to be precise. I ask why, and they say, "There is no particular reason, except that continuance of the old practice might give our competitors the edge over us."

Mr. Speaker, the rates of competitors are fully exposed through the public utilities boards of each of the territories. What the commission has in fact been doing contravenes what the law requires, namely that profits should be used to improve plant or reduce rates to the consumers. The commission has been taking revenue derived from plants which are making money and lending it to plants which are losing money. They say, of course, that the money is being lent at appropriate rates of interest, that it realizes a proper return. But the practice is still not justified in light of the prohibition contained in the act. What the commission is doing is a breach of the law, and it should not be permitted.

While, as a citizen of the Yukon, I do not mind revenues from the plant at Whitehorse being used to lend money to the losing plant at Dawson city or at Mayo, I do object to revenues earned at Whitehorse being lent to a losing plant in Field, British Columbia, or in Moose Factory, Ontario. This is why I say there should be control not only over the rates set by the commission but also over the manner in which the moneys are spent. The cabinet has certainly acquiesced in this illegal practice on the part of the commission—and while the minister was appointed to office only recently, I must include him in the cabinet for the purpose of condemning him and the cabinet.

Instead of lending these moneys to Moose Factory, Ontario, Field, B.C., and other losing plants in the system, the commission should have been giving us, as consumers in the north, the benefit of either plant improvement or rate reductions, and these have been denied us. That is what the act of 1948 and the amendment of 1956 contemplated. In direct contravention of the law, the commission has denied us this benefit and instead has applied those revenues in an unlawful fashion to make loans to plants which were losing money.

Again I remind hon. members that my hon. friend who will be following me in the debate will be moving an amendment to my amendment, so the House will be left with a choice of placing the rates in the hands of the public utilities boards or, failing that, in the hands of the commissioner in council. I hope one of these two amendments will be adopted. Failing that, I suppose we must go along with the idea that according to the cabinet's system of priorities, the setting of rates for consumers in the territories is far more important than dealing with inflation, unemployment and all the serious and urgent problems which confront this country.

● (1620)

I would think that the minister would want to get out of the rate setting business. If he is going to pay more than lip service to the idea of giving the people of the north more say in their affairs, I would think he would be eager to say to the members of this House, "Yes, indeed, any rate set by the commission should go to your public utilities board; I will accept your amendment". Or if he did not like that, at least he ought to say, "Yes, indeed, let the commissioner in council be the body that approves the rates, and not the governor in council; we do not want to be bothered

[Mr. Nielsen.]

setting rates for the households in Whitehorse, Frobisher Bay and Innuvik".

I hope the minister will do this and get rid of this headache of his. Having said that, and in the hope that the minister might consider these matters favourably, I have nothing further to add.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, in following my colleague from Yukon (Mr. Nielsen) to speak in support of motion No. 3 to amend the bill now before the House, I cannot help but express some sympathy for the minister so early in his career having to defend a measure that has been portrayed during this debate and in committee as such an unpopular and colonial step so far as the people of the Yukon and Northwest Territories are concerned. I know the minister personally, of course, and I sympathize with him. It is not his nature to do the kind of things that are contained in this bill. Unless I am a very poor judge of character, I do not assess the minister's integrity in the way it is portrayed in this bill. He shakes his head; he agrees with me.

I wonder why, after all these years with the Northern Canada Power Commission, we are now giving the commission a total monopoly. It was argued in committee by some of the officials that the provinces have established Crown corporations for the purpose of assuring their citizens an adequate supply and efficient distribution of power. The fact is that the Yukon and Northwest Territories are not provinces. There is no political tribunal for the people of the territories; they must come to Ottawa if they have questions to ask about the conduct of this very important utility.

It was very apparent in committee that the officials of the northern power commission took every effort and went to great pains—I know this is a very strong statement to make—to undermine the integrity and discredit the conduct of the private companies that are now operating in the Yukon. Here is what happened, Madam Speaker: officials examined the transfer of funds by these private companies from the Yukon to other parts of Canada and, indeed, to places outside Canada and evidence was put before the committee of the exact amount that these companies transferred from the Yukon—money that was identified as profits that the companies made—to other areas where these private companies operated.

Let me examine for a moment the word "profit". To a private company, the participation of its shareholders is a cost of doing business, as is the distribution of dividends. It should also be interesting to examine the transfer of funds from the northern power commission to Edmonton, where its head office is now, and also to Ottawa. This examination was not carried out by these same officials; however, it was said in committee that the profits being made in the Yukon and Northwest Territories are being transferred to other parts of the world.

The reason we have to establish a monopoly for the northern power commission in the Yukon and Northwest Territories, in my opinion, is that the commission has become embarrassed by these private companies. These private companies have traditionally shown a better record in regard to the production of cheap power, the efficient production, distribution and transmission of