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EXCERPTS FROM STANDING COMMITTEE ON
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT MINUTES

Councillor Lyle Trimble

Councillor Lyle Trimble (Northwest Territories Council): Mr. Chairman and members of the Committee: I would like, first of all, to express my appreciation and the appreciation of the Council for the opportunity you have presented to us to appear before you and make our position known.

At the time when I was first elected to the Council of the Northwest Territories, almost 11 years ago, very few non-government establishments or homes enjoyed electric power in the smaller settlements scattered throughout the Canadian North. An electrical power generator was usually operated by the federal department with the greatest influence in a given community, the Department of Northern Affairs, the Department of Transport, the RCMP, or whatever. Distribution was limited to government establishments, the homes of civil servants and, perhaps, a few private establishments such as the Hudson's Bay Company and missions. Power was not available for other residents and, even if it were, very few could afford to purchase it. I took a position at that time which, I believe, was generally supported by other members, that a Northwest Territories power corporation should be established to produce and distribute electrical power in all Northern communities where private producers were not already established, and that power be distributed to all residents at a reasonable cost.

As the Northwest Territories administration gradually developed, instead of following this course of action existing facilities were turned over to the Northern Canada Power Commission, which undertook the responsibility of supplying electrical power. A ceiling was placed on the rate of power -- I believe by order in council although I am not sure of the procedure -- at 12 cents per kilowatt, and costs of production and distribution exceeding this amount were borne by the federal government. I think I am

safe in saying that these transfers took place without the concurrence of the Northwest Territories Council. When the Council tried to press the issue, I suppose about six years or so ago, it was informed that the subject was under consideration by the federal government and its decision would be made known in due time. I do not recall any reply being received. Perhaps this bill to amend the Northern Canada Power Commission Act is that reply. If so then it must be considered as unacceptable.

The Council has continually pressed every year, for as long as I can remember, for electrical power to be provided to Northern residents at a reasonable rate. The ceiling suggested was about five cents per kilowatt, with costs of production and distribution above this to be covered by a federal subsidy. I believe few people would suggest that five cents per kilowatt is unreasonably low. No such ceiling or subsidy has ever been approved. However, a majority of Northern residents, particularly those of native origin, have been provided with Crown-owned houses of one form or another. Municipal services, including electrical power, are included in the rent charged, which is based on a percentage of the annual income of the occupant. A federal subsidy on electrical power, therefore, exists in this form for a large percentage of Northern residents. For those less fortunate, who provide their own accommodation, the ceiling of 12 cents per kilowatt results in some federal subsidy being realized in the smaller more isolated settlements where production costs exceed this.

Bill C-13, by virtue of Clause 4, would put to an end such existing federal subsidies and would, I suggest, place that total financial burden on the Northwest Territories' residents and businesses. The consumers in the larger centres where the cost of electrical

power is somewhat less than the 12-cent ceiling would be required to make up the loss of smaller, less efficient plants. In effect, this will mean that Northern residents and businesses who are already paying several times the rates of Southern Canada will be subsidizing the Government of Canada.

This, then, is the opposite of what the Northwest Territories Council has been advocating and we, like the children of Israel in Egypt, instead of having our burdens lightened will be given an even heavier load, the one difference being that most of us are living in our own land.

The principle of standardization of electrical power rates is acceptable and consistent with the recommendations of the Northwest Territories Council. However, if the rates are to be established by the Government of Canada through federal legislation, then surely such standardization should relate to Canada as a whole and not only to the Canadian North. Rates should be established which are consistent with rates in the provinces of Canada.

If only the Northern territories are to be affected, with no federal subsidy, then I fail to see why this should be done through federal legislation. Surely this is a matter for the residents of the two territories to decide through their own elected councils.

When some parts of Canada were suddenly hit with greatly increased costs for energy due to the hike in crude oil prices, the need for Canadian equalization or standardization and subsidy was immediately realized. For those of us living in the Mackenzie and Western Arctic, this action meant a substantial increase in the cost of gasoline and oil, including the diesel oils with which our

electricity is produced. The cost for energy in Northern Canada, particularly electrical energy, has always been high as I have already said; it is many times the Canadian average and is still climbing. But the need for equalization with the rest of Canada has not been so readily apparent.

We do not complain about the standardizing of the basic price of crude oil throughout Canada, even though we know that much of Canada's future supply of oil and gas will be piped from our reserves with probably minimal benefit to Northerners. However, we do feel that the standardizing of electrical power rates in the North should bear some relationship to the rest of Canada and be financed by federal subsidy; the burden should not fall on Northerners alone.

We in Northern Canada wish to share fully with other Canadians in the advantages of Confederation.

Thank you very much.