

MACKENZIE VALLEY PIPELINE INQUIRY

IN THE MATTER OF THE APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES
FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL
AND ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

**Hay River, N.W.T.
May 28, 1975.**

PROCEEDINGS AT COMMUNITY HEARING

Volume 4

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Mr. Darryl Carter	for Canadian Arctic Gas Pipeline Limited;
Mr. Alan Hollingworth	for Foothills Pipelines Ltd.;
Mr. Glen W. Bell	for Northwest Territories, Indian Brotherhood and Metis Association of the Northwest Territories;

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1 Hay River, N.W.T.

2 May 28, 1975.

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Well,
5 ladies and gentlemen, I'll call our meeting to order.

6 I am Judge Berger, and I am
7 heading the Mackenzie Valley Pipeline Inquiry which has
8 been established to consider what the impact will be of
9 the pipeline that Arctic Gas wants to build to bring
10 natural gas from the, Arctic to southern markets.

11 I have been holding formal
12 hearings at Yellowknife since March 3rd. There in
13 Yellowknife at the formal hearings we have been
14 examining the many studies and reports that have been
15 prepared by the government, by the industry, and by the
16 participants in this Inquiry; and there we are
17 providing an opportunity to hear all the evidence, the
18 opinions, and the arguments of everybody concerned. But
19 this is a community hearing here in Hay River today,
20 and these community hearings, where we shall hear from
21 the people who live in the north, are just as important
22 as the formal hearings in Yellowknife.

23 I will be holding hearings in
24 every community in the Mackenzie Valley, the Mackenzie
25 Delta, and the Northern Yukon, likely to be affected by
26 the proposed pipeline.

27 To enable the people in the
28 cities and towns, the settlements and villages in the
29 Mackenzie Valley, the Mackenzie Delta, and the Northern
30 Yukon to know what is being said in Yellowknife at the

1 formal hearings, summaries of the evidence given there
2 are being broadcast on a regular basis to all of the
3 communities in English and the native languages.

4 At this community hearing I
5 want to hear from native people and white people, from
6 old people and young people. I want to hear from
7 everybody in Hay River who has something to say to me,
8 and it isn't necessary to have it written out, it isn't
9 necessary to file a brief. You can simply get up and
10 say your piece, whatever you feel like it.

11 Now this proposed pipeline is
12 not to be considered in isolation. The pipeline
13 guidelines laid down by the Government of Canada
14 require an examination of the proposed pipeline in the
15 light of all that it may bring with it. When you make
16 your statement here, you can stand up or you can remain
17 seated, whatever suits you. No lawyer will be given a
18 chance to ask you any questions, there won't be any
19 cross-examination. We save that for the experts at
20 Yellowknife. But for people who live here, we don't
21 allow that to occur.

22 But I will ask each of you
23 to be sworn or to affirm because I think these hear-
24 ings in the communities are just as important as the
25 formal hearings in Yellowknife, and there the witnesses
26 are sworn or they affirm. I am here so you can tell
27 me what you think, and so that you can say what you
28 want to say. I want you, the people who live here,
29 who make the north your home, to tell me what you would
30 say to the Government of Canada if you could tell them

1 | what was in your minds. I want to hear from anyone who
2 | wishes to speak, because you have the right to speak,
3 | to tell me what this pipeline and all of its
4 | ramifications will mean to you and to your family and
5 | to your life. I am here to listen to you.

6 | We are used to these pauses
7 | in our community hearings, so don't let it trouble you.
8 | It's always a little difficult for somebody to start
9 | the ball rolling.

10 | MR. JACKSON: I think Mr. Maydonik
11 | has something which may start the ball rolling.

12 | MR. MAYDONIK: Mr.
13 | Commissioner, as you are probably aware, I think there
14 | are a great number of people in Hay River who have not
15 | had the opportunity of examining the transcripts of the
16 | Inquiry to date, or of examining the application that
17 | has been made. For the purposes of this hearing I think
18 | it might be best for the people of Hay River if they
19 | had some kind of an idea of what the applicant feels
20 | will be the impact of the pipeline upon our town, and
21 | I'm wondering if at this time it will be possible for a
22 | representative of Arctic Gas to perhaps present a brief
23 | outline of what they feel will be the impact of the
24 | pipeline on Hay River. From there I am sure there will
25 | be a number of questions and enquiries made from the
26 | public.

27 | THE COMMISSIONER: All
28 | right, Mr. Carter, who represents Arctic Gas, is here.
29 | I think he's here somewhere. Oh, Mr. Carter, forgive
30 | me, there you are. Well, do you want to carry on and

1 ask any of your colleagues to say anything that you
2 think would be helpful?

3 MR. CARTER: Very good, We
4 don't have any formal prepared presentation, but Mr.
5 Maydonik mentioned this to me and I'd like Mr.
6 Williams, if he would, perhaps he could use the map and
7 outline the proposed pipeline as a whole. Then he could
8 perhaps be a little more specific and give an
9 indication of what would be involved in the Hay River
10 area, and also bearing in mind when this is likely to
11 occur, what -year we could expect to see it start.

12 Mr. Williams has given
13 evidence in Yellowknife. It may not be necessary to
14 have him sworn at this time.

15 MR. JACKSON: I was just going
16 to raise the issue of having Mr. Williams sworn.
17 Perhaps it isn't necessary since he has already been
18 sworn in Yellowknife.

19 THE COMMISSIONER: All right.

20
21 GUY LESLIE WILLIAMS, resumed:

22 Ladies and gentlemen, I really am
23 not prepared and I know that you're primarily interested in
24 the impact on Hay River. But before getting into a bit
25 about that I should say that I work for Northern
26 Engineering, which is a prime
27 consultant to Canadian Arctic Gas, and really all that I
28 can speak to is the construction plan as it is filed in the
29 application. I'm unable to speak with respect to the
30 policy items of Canadian Arctic Gas.

1 | border near Empress, and from there south to across the
2 | international border at a point near Monchy,
3 | Saskatchewan, Along the way there would, of course, be
4 | connections particularly at Empress to Trans-Canada
5 | Pipeline for eastern Canadian consumption and other
6 | connections to the Alberta Gas Trunk Line system.

7 | So the five main components
8 | then are the Prudhoe Bay supply leg, the Richards
9 | Island supply leg, the main stem, the west delivery
10 | line and the east delivery line. Then of course along
11 | the way there will be several compressor stations at
12 | spacings of oh, 45 to 50 miles, and they are shown
13 | here. These numbers -- I'm sure you won't be able to
14 | see at the back -- are compressor station locations.

15 | The construction plan which
16 | got a little confusing in Yellowknife, and I think
17 | we'll try to stick to real dates, Mr. Commissioner, and
18 | what was said at Yellowknife was that if a certificate
19 | is granted sometime in the first half of 1976, that the
20 | major pipeline construction would start in the winter
21 | of 1978-79. Now obviously there has to be some
22 | preparation work done in '77 before that construction
23 | can start; but it would be -- it's envisaged as a 3-
24 | year construction program starting in the winter of
25 | '78-'79, continuing -- and we're speaking of the north
26 | country now -- continuing in the winter of '79-'80 and
27 | '80-81.

28 | The Gas Arctic proposal
29 | suggests a maximum of nine spreads, a spread is a
30 | construction crew that's capable of doing a section of

1 pipeline. In the north the maximum number of crews
2 would be about six. Four of those crews are dedicated
3 to the northern areas, that is they would move in in
4 the summer of '78, they would construct a portion of
5 the line in the winter of '78-'79, they would stay in
6 the north and be idle through the summer months, and
7 continue the construction the following winter.

8 In the third winter they
9 would move to the Prudhoe Bay supply leg for that
10 construction.

11 Now you will notice that there are
12 more lines on the map than what I've mentioned. The first
13 one here is an alternative route that we call the interior
14 route, and it continues on around here and up to Prudhoe Bay.
15 The main reason for that alternative is to avoid the Alaskan
16 Wildlife Range which is in this area, if that situation
17 becomes necessary.

18 The second change that we
19 have proposed is re-routing the line so that it will
20 pass east of Fort Simpson. That amendment has been
21 filed. The main purpose of that is to avoid the
22 crossing of the Liard River and to cross the- Mackenzie
23 River at-a location upstream of its confluence with the
24 Liard River.

25 Another alternative that we are
26 investigating and have not yet filed is what we call the
27 cross-delta route. It takes off from the coastal route at this
28 point and parallels it for a bit and then crosses the north
29 end of the delta across Shallow Bay here, to join a re-routed
30 line from Taglu that would be in this configuration. That, of

1 | course, if that was done, it would eliminate all of this line
2 | here. Of course it would only be used if the coastal route was
3 | selected: it would not be applicable if we were required to
4 | construct on the interior route.

5 | So the background of that
6 | tells you that plans are not definite, and when we talk
7 | about tonnages of material that will be going through
8 | Hay River, they are partly dependent on what
9 | configuration we end up with here. Obviously, if the
10 | cross-delta route is selected, there is a savings of
11 | about 100 miles of pipe, so that would change the
12 | tonnage through Hay River. If the interior route were
13 | selected, the plan calls -- at least the plan is filed
14 | and one option is to bring pipe and materials up the
15 | Dempster Highway. That would reduce the tonnage through
16 | Hay River.

17 | The plan as filed suggests that
18 | there will be a major stockpile, double-jointing, and
19 | intermodal transfer site in the Hay River-Enterprise area,
20 | and that generally speaking all the pipe and material
21 | required north of Fort Simpson would move by barge from Hay
22 | River down the Mackenzie, including the materials required
23 | for this section along the coast That is all of the material
24 | north of Fort Simpson would be -- all of the material
25 | required north of Fort Simpson would be shipped by barge out
26 | of the general Hay River area, and I haven't been intimately
27 | involved with this aspect of the work recently, but I do
28 | understand that Canadian Arctic Gas is working with Northern
29 | Transportation, who will be responsible for and are actively
30 | doing engineering studies to develop a suitable stockpile

1 | site in the Hay River area.

2 | Also I understand that Arctic
3 | Pas is still considering a stockpile site in the
4 | Enterprise area, and it would be mainly used for pipe
5 | that is required south of Fort Simpson. It would
6 | probably come in by rail to Enterprise, be stockpiled,
7 | trucked along the Mackenzie Highway, and then along the
8 | right-of-way from about Fort Simpson to about the 60th
9 | Parallel.

10 | As I mentioned previously,
11 | the total tonnage of material that will be moved
12 | through Hay River and Enterprise is a bit speculative
13 | at this time. It's dependent on the final route, the
14 | source of material, particularly the pipe -- the pipe
15 | is by far the largest single component of tonnage --
16 | and the mode of transportation that the pipe suppliers
17 | might select. That would be dependent on the final
18 | quotations that, are received.

19 | However, if we take the case
20 | as filed in the application, which I mentioned, with
21 | all the material north of Fort Simpson being barged and
22 | everything south being trucked from Enterprise, the
23 | breakdown would be about as follows:

24 | In the shipping season of
25 | 1977, about 31,000 tons. This is mainly contractors'
26 | equipment and fuel to various points along the river to
27 | establish stockpile sites, wharf sites, and so forth,
28 | that would be required in the following summer.
29 | - In the summer season of '78, about 600,000 tons of ma-
30 | terial would pass through Hay River. - -

- 1 - In the summer of '79, about 500,000.
2 - The summer of '80, about -- again about 500,000.
3 - And in the summer of 1981 it would reduce to
4 about 40,000.

5 The tonnage moving through
6 Enterprise under this scheme would be:

- 7 - Nothing in 1977.
8 - About 6,000 tons in 1978. 140,000 tons in 1979.
9 - And reduced to 8,000 tons in both 1980 and '81.

10 The reasons that the peak
11 there of 140,000 tons is because the two spreads that
12 would be serviced with pipe south of Fort Simpson would
13 be working in the second season, and that's the plan as
14 filed, and of course that plan was drawn up a year and
15 a half or so ago and it has been studied since then and
16 changes can be made. Of course, we're interested in
17 hearing anything that might come out of this hearing to
18 see if we can accommodate suggested changes.

19 Thank you.

20

21 (WITNESS ASIDE)

22 MR. CARTER: Mr. Commissioner,
23 I've got some copies of the figures that Mr. Williams
24 just gave on a chart and I make those available to be
25 passed around.

26 THE COMMISSIONER: Yes, please
27 do. Yes sir?

28 MR. PHILLIP: Mr.
29 Commissioner, so far we have only heard about the
30 application of Arctic Gas Pipeline. To my knowledge

1 | has there not been an application' filed by Foothills
2 | Pipeline, and I wonder if we couldn't be informed
3 | about their proposal at this stage?

4 | THE COMMISSIONER: Well, is
5 | Mr. Hollingworth here from Foothills? Mr. Hollingworth
6 | if you wish in the same way to outline the Foothills
7 | proposal, I'll certainly allow you to do it, though I
8 | will have to explain -- not that I expect anyone to
9 | understand it -- but I will have to explain that that
10 | application, the Foothills application, isn't before
11 | the Inquiry, but I think nevertheless that for
12 | purposes of examining the Arctic Gas application it is
13 | worthwhile for you all to hear something about the
14 | Foothills application. At any rate, can you comply with
15 | this gentleman's request?

16 | MR. HOLLINGWORTH: Certainly,
17 | Mr. Hushin from Foothills Gas Pipeline is here and he
18 | would be glad to speak to the matter.

19 | THE COMMISSIONER: All right.

20 | MR. JACKSON: I wonder if Mr.
21 | Hushin could use the microphone?

22 | THE COMMISSIONER: Just sit
23 | down, sir, if you wish. Before these gentlemen from
24 | Foothills start, maybe I could summarize what we're
25 | concerned with here very, very briefly. Essentially
26 | Canadian Arctic Gas Pipeline Limited wants to bring
27 | natural gas from Alaska and the Mackenzie Delta south
28 | along the route of the Mackenzie River, then down
29 | through Alberta and in Alberta the line splits and one
30 | part of it goes to the west, and one to the east, and

1 | it delivers gas -- natural gas -- to Southern Canada
2 | and the United States.

3 | Now Mr. Williams told you
4 | that this pipeline would be made out of steel pipe, so
5 | you've got to have a lot of steel pipe and you've got
6 | to get it up here) so that it can be buried along the
7 | route of the Mackenzie right up to the delta and then
8 | over to Prudhoe Bay and Alaska.

9 | Now Arctic Gas has told us
10 | that the route that they want to use to bring all of
11 | that pipe up to the north is by rail to Hay River, then
12 | they will put all the pipe on barges and barge it down
13 | the Mackenzie. Now some of the pipe will go by truck
14 | to Fort Simpson, but I think it's fair to say that the
15 | largest part of it will go by barge down the
16 | Mackenzie.

17 | Now some of you here will
18 | know these figures better than I, but I understand that
19 | the barges that you've got and the tugs that you've got
20 | on the Mackenzie now each summer during the sailing
21 | season or the shipping season, they take about half a
22 | million tons of goods and materials down the Mackenzie
23 | from Hay River. That's using all the tugs and barges
24 | you've got now.

25 | Now Arctic Gas is saying that in
26 | 1978, 1979, and 1980, in each of those years Arctic Gas
27 | itself will be taking half a million tons of
28 | steel pipe by barge down the Mackenzie, or by road to Fort
29 | Simpson. So that Arctic Gas has told us that they will
30 | have to double the capacity of the fleet of tugs and

1 barges that you have here in Hay River to serve the
2 Mackenzie system. That's a kind of a rough picture of one
3 of the principal ways in which this pipeline, if it is
4 built, will make an impact on Hay River.

5 I think I should also add
6 that Mr. Forte, the president of Arctic Gas, who has
7 been giving evidence at Yellowknife last week, has told
8 us that there is a likelihood that once the pipeline
9 is built and is delivering gas from the Mackenzie Delta
10 in 1980, that within four years after that. they will
11 loop it, that is they will build a second gas pipeline
12 beside it, and that will mean that you will have
13 construction from 1984, 1985, 1986 because you will be
14 building essentially a second gas pipeline beside the
15 first one; and then in 1987 and 1988 you'll have
16 continuing construction because they will be building
17 new compressor units along the route of the gas
18 pipeline.

19 I should tell you also that my
20 commission from the Federal Government requires me to
21 consider in addition the likelihood of an oil pipeline
22 being built up the Mackenzie Valley to bring oil from the
23 Mackenzie Delta and the Beaufort Sea up the Mackenzie
24 River and then south to markets in the south. So I just
25 thought that I should put all of that before you and to
26 say to you that I want to know what your concerns are, but
27 I want to know as well what the conditions are that you
28 think should be laid down, if Arctic Gas is going to be
29 given a right-of-way along the river and down to the 60th
30 Parallel to build a gas pipeline. In other words, I want

1 to hear from you, not only what your concerns are, but I
2 want to hear from you what the conditions are that you
3 think ought to be imposed on Arctic Gas if it is going to
4 be allowed to build a gas pipeline.

5 Well, I'm trying to put all
6 this colloquially and I hope you get some idea of the
7 project that has been proposed and that we're here to
8 talk about. So having said that, Mr. Hollingworth, I'll
9 let you carry on,

10 MR. HDLLINGWORTH: I'll
11 defer to Mr. Hushin, Mr. Commissioner,

12 THE COMMISSIONER: All
13 right. Carry on, sir,

14 D.H HUSHIN sworn:

15 THE WITNESS: I must say, Mr.
16 Commissioner, I'm in worse trouble than my friend, Les
17 Williams, since we didn't anticipate doing this at all;
18 but we will attempt to tell you our project. The
19 Foothills project, as you are --

20 THE COMMISSIONER: I'm going
21 to stop you for a moment, forgive me.

22 A Yes sir.

23 THE COMMISSIONER: If you can't
24 'hear what anybody is saying just let out a howl and we'll try
25 to do something about it. So carry on, sir.

26 A The Foothills project
27 proposes to develop a gas transportation system to
28 serve markets in communities along the Mackenzie Valley
29 and in Eastern and Western Canada. Now the particular
30 part, Foothills is one portion of this entire network

1 that we are advocating. It's a 42-inch pipeline of a
2 .540 wall thickness. This is just slightly over a half
3 inch, and a high-grade steel pipe operating at a
4 pressure of 1,250 pounds, Our system will initiate at
5 the delta and traverse along the Mackenzie Valley on
6 the east side of the river much the same route as our
7 competitors, with the exception that it is direct,
8 since we are transporting only gas from the Canadian
9 delta and are not involved with the transportation of
10 any American gas either in transportation to the States
11 or other parts.

12 Our pipeline will serve
13 communities along the way to the Mackenzie Valley and
14 also, as you people are interested in, several
15 communities along the western arm of the Great Slave
16 Lake,

17 The Foothills portion now
18 stems from the delta to the 60th Parallel, a distance
19 of 817 miles. At this point, Foothills then joins with
20 two other connecting pipelines, one which is a 30-inch
21 about 140-mile pipeline that will extend from the
22 junction point just south -- just north, rather, of the
23 60th Parallel and run in a south-westerly direction to
24 join with the existing Westcoast Transmission Company,
25 another large Canadian transmission company. There the
26 gas transported from the delta will join with the
27 existing system of Westcoast and be transported through
28 their system by means of a build-up by looping their
29 system as the volumes move from the delta require so
30 doing.

1 | in the Northwest Territories to have our system
2 | completed by the end of 1979 in order to meet the
3 | anticipated deficiencies in other parts of Canada.

4 | We anticipate having eight
5 | construction spreads on our system, each spread will do
6 | about 50 miles, maybe slightly more, in the more
7 | southerly part of the Territories where it might be
8 | somewhat more than that, perhaps five miles more. Our
9 | construction camps would be set up at these compressor
10 | station sites so that they would work from there and
11 | with the lesser mileage anticipated from our spreads,
12 | the camps would be in the order of 500 people -- 500-
13 | me a camps or less.

14 | We anticipate also having a
15 | staging area in the Hay River-Enterprise. The tonnage
16 | that our project will require in the north is just over
17 | a million tons, not quite 1.1 million tons required.
18 | Half of this generally would be required in the first
19 | year, and something less than that the following year.
20 | Unfortunately, I don't have, figures with me to verify
21 | those, but those are generally correct.

22 | Because our pipe is of lesser
23 | wall thickness, it naturally has less tonnage and the
24 | actual pipe tonnage required is some 540,000 tons.

25 | Our pipeline will operate at
26 | 1,250 pounds. Admittedly it is possible to operate the
27 | line at a higher pressure than that, but because of
28 | concern that has been expressed for what is known as
29 | fracture propagation, and because of the uncertainty of
30 | working in the north under the extreme temperature

1 conditions and the permafrost, we have elected to
2 reduce our operating pressure to 1,250 pounds. In so
3 doing we have not interfered with the economics of our
4 project, and are quite willing to stand by the figures
5 that we have projected in our submission.

6 Our project optimizes the use
7 of Canadian pipe from the pipe & steel manufacturers in
8 Canada because it is of a lesser diameter, and a lesser
9 thickness; we can obtain our pipe from steel and pipe
10 mills in Canada in its entirety, utilizing six and
11 possibly a seventh mill in Canada in order to serve our
12 pipeline needs.

13 Our Canadian contents in our
14 system is about 86%, which we believe is about as high
15 as is possible to get. We think that because of the
16 lesser magnitude and the use of existing systems, which
17 is probably the key to what we are trying to do,
18 instead of having a complete line built before any gas
19 can be moved, we make use of the existing system of the
20 Westcoast system in order to serve Western Canadian
21 markets and the Alberta Gas Trunk Line system and its
22 spare capacity in order to move gas to Eastern Canada,

23 Mr. Hollingworth has just
24 reminded me that perhaps I should show the route of
25 the laterals, at least around the lake.

26 MR. HOLLINGWORTH: Maybe you
27 should take this mike with you, Mr. Hushin.

28 MR. HUSHIN: Well, I'll jus
29 try to speak up, it won't take but a moment.

30 We have a take-off proposed

1 | here. It's about 40 miles north of the 60th, running
2 | over to Fort Providence. Here we cross the river and
3 | run up to Rae and around to Yellowknife. The lower
4 | part, it runs along here, and we intend to cross the
5 | river on a highway bridge running over to Hay River,
6 | and then on over to Pine Point. So it's roughly in
7 | this direction here. This way and this way.

8 | That's all I have to say.

9 | THE COMMISSIONER: Thank you,
10 | sir.

11 | (WITNESS ASIDE)

12 | THE COMMISSIONER: Yes sir?

13 | MR. PHILLIP: I have a
14 | question. This is mainly to get something straight in
15 | my mind. Why was it that the Foothills proposal, that
16 | is so much different from the Arctic Gas Pipeline
17 | proposal, was not scheduled for this Inquiry?

18 | THE COMMISSIONER: Well, let
19 | me explain that as best I can, sir. The Federal
20 | Government established this Inquiry to examine the
21 | Arctic Gas proposal.. That is the Federal Government
22 | said to me, "Go ahead and hold an Inquiry and take a
23 | look at the Arctic Gas proposal and see what its impact
24 | will be on the north and the people of the north, the
25 | communities of the north."

26 | Now, the Federal Government
27 | hasn't referred the Foothills proposal to this Inquiry.
28 | The Federal Government hasn't said to me, "Go ahead and
29 | examine the Foothills project and see what its impact
30 | will be on the north and the people of the. north, and

1 Commissioner. I think this explains my question.

2 I would like to ask several
3 more questions but before I do this I have just been
4 asked to state my name. My name is Phillip, and I am
5 from Fort Providence and here partially on behalf of
6 fort Providence Settlement Council. I am not here to
7 recommend or to condemn the construction of a pipeline
8 or to say it is a good thing or a bad thing; but I've
9 been asked to voice some of the opinions of the Fort
10 Providence Settlement Council that have come up and in
11 this point of view I would like to direct quite a
12 number more questions to Inquiry.

13 The first one would be that I can
14 well see the need for a gas pipeline from
15 Prudhoe Bay in conjunction with a gas pipeline from the
16 Mackenzie Delta, down the Mackenzie River supplying gas to
17 the United States and some in Canada, but I cannot see any
18 long-range benefits for the people in the north, for the
19 communities in the north. Sure, Arctic Gas line is
20 proposing a much longer construction program than
21 Foothills. I believe, if I did get it right, it would
22 amount to about ten years. This could be an advantage,
23 but it could also be a disadvantage.

24 The Foothills proposal, as I see
25 it, is strictly to supply gas from the Canadian Arctic to
26 the Canadian population, including the people in the
27 north, and I feel and I believe that I speak for everyone
28 here in this room anyway, that if gas is taken out of the
29 north then it should benefit the people in the north. Then
30 we have some long-ranging benefits out of it, not just the

1 the north, especially everything north of the Mackenzie River
2 straight north of Yellowknife, does need a bridge in the
3 worst way. A large cost, and I have really no figures on it,
4 but no matter where Arctic Gas would cross the Mackenzie
5 River, I think it is a staggering figure to cross the
6 Mackenzie because many facts have to be considered.

7 Now looking at the map, I think
8 that the main trunkline re-routed to cross in conjunction
9 with the bridge would probably cost quite a few more
10 dollars; but in the final accounting it may not even be
11 that far out, considering that possibly the Federal
12 Government could build the bridge at the same time that the
13 gas trunkline is going across on it, and then we would have
14 the gas close enough that it could be taken to Yellowknife,
15 to Hay River, to Pine Point, to Fort Providence. It still
16 wouldn't mean that Fort Simpson shouldn't have any gas
17 supply. I would say that a small branch line across the
18 Mackenzie could most likely be suspended to supply Fort
19 Simpson. I definitely feel that they should be supplied
20 with gas, just like any other community. But I think it
21 only stands to reason that crossing the Mackenzie with a
22 bridge would cut a terrific amount of costs and also a
23 terrific danger of it out of crossing the Mackenzie River.
24 I wonder whether we could get some answers from possibly
25 the Gas Arctic people at this point? Thank you, Mr.
26 Commissioner.

27 MR. JACKSON: Before we get
28 the answer, perhaps Mr. Phillip could be sworn. It's a
29 little late at this point but we can do it
30 retroactively.

1 THE COMMISSIONER: Yes Forgive
2 me, Mr. Phillip, we should have had you sworn before
3 you spoke.

4 SIG PHILLIP, sworn:

5 THE COMMISSIONER: Do you wish
6 to respond to anything Mr. Phillip said, Mr. Carter?

7 MR. CARTER: I think that we
8 wouldn't be able to respond to things such as the
9 crossing together with the
10 bridge, but let's something that should be considered,
11 as Mr. Phillip has asked. I might, however, since this
12 isn't Mr. Williams' area, outline the policy statement
13 that Mr. Horte gave about gas supplied to the
14 communities, and I've got copies of that that I could
15 also --

16 THE COMMISSIONER: Yes,
17 certainly. Go ahead.

18 MR. CARTER: I'll just try to
19 summarize his statement and then make the copies
20 available. He began by stating that Arctic Gas had
21 conducted a number of studies concerning themselves
22 with the feasibility of gas service to the Mackenzie
23 Valley and Yukon communities, and he said that,
24 "Whether or not gas supply is feasible is the
25 function of the size of the demand in
26 the community, and the distance from the pipeline to
27 the community itself."

28 The results of these studies
29 showed that it was economically feasible to supply gas
30 to Inuvik, Norman Wells, Fort McPherson, Fort Simpson,

1 Fort Good Hope and Aklavik, and as well if the cost was
2 averaged out over all the communities, Fort Norman and
3 Wrigley would be feasible in addition.

4 He stated that:

5 "In these communities Arctic Gas is prepared to fa-
6 cilitate the service of gas and it can be done by
7 arranging for gas to be made available at a take-off
8 point on the pipeline to any distribution company,
9 whether privately owned or government-owned,"

10 and he said that this would provide the service to the
11 community.

12 In that connection, where
13 deemed desirable, Arctic Gas would be prepared to build
14 the main lateral to the community and to charge a cost
15 of service appropriate to that facility to the
16 distribution company which would be purchasing the gas
17 at the end of such a lateral.

18 He then went on to state that,

19 "In the other communities that the studies showed
20 were not economically feasible, the
21 following questions would have to be considered. 1.
22 Is it more desirable for that community to be serv-
23 iced by natural gas than by some
24 other form of energy such as the form of energy now
25 servicing that community? In this connection one
26 would have to consider the impact on the community,
27 if existing services were in fact discontinued, or
28 greatly reduced in terms of the market being served.
29 In small communities competitive service between fu-
30 els is hard to justify.

1 2. In most communities, fuel now servicing those
2 communities is presently being subsidized by the
3 Federal Government. If it is deemed that gas service
4 is desirable for the community, then should this
5 method of subsidization by the Federal Government be
6 continued?

7 3. Should other customers of the major transporta-
8 tion facility in fact have increases in their rates
9 subsidized the cost of servicing such communities?"

10 He went on to say that,

11 "These questions can only be answered by the
12 government in the final analysis. If it were,
13 the government's decision after considering all
14 the factors that gas service should be made
15 available to certain communities on a subsi-
16 dized basis, and that the subsidization should
17 be borne by other customers of the pipeline
18 system, then of course Arctic Gas would under-
19 take to construct those facilities. They would
20 include the charges associated with them and
21 the total cost of service, and the rates would
22 be structured so that gas service to these com-
23 munities would be available on a competitive
24 cost of service basis with the
25 additional cost for so doing being borne by
26 other customers on the system."

27 THE COMMISSIONER: Go ahead,
28 Mr. Phillip.

29 MR. PHILLIP: I believe there
30 are a few points there to be clarified. To my

1 | knowledge, there is no subsidy on any fuel oil or gas
2 | anywhere along the Mackenzie River at the present
3 | moment, of heating or supplying energy to power
4 | generating stations or whatever you have for heating.

5 | I don't know that Arctic Gas has
6 | done a study as to what the landed cost or even the
7 | transportation cost of natural gas would be to
8 | the communities. It would give us a factor to compare. We
9 | know roughly what it costs us to heat with fuel now, and
10 | what it costs us to heat with propane. I have done some
11 | calculations and with the figures that I have been able to
12 | get on the cost of natural gas delivered to the border,
13 | which I understand now with the Foothills application,
14 | would be about 50 or 52 a thousand cubic feet. Comparing
15 | that price with existing natural gas prices for the south,
16 | we don't know what the gas is going to cost yet that is
17 | going to come from the Arctic, this is strictly in the
18 | future, there might be estimates on it but I don't think
19 | there is a direct figure or an exact figure on it yet; but
20 | taking existing prices, it would still be only about one-
21 | quarter of the cost landed in our communities, most likely
22 | less, one-quarter to one-sixth of the existing cost of
23 | fuel.

24 | Now we do realize that by the
25 | time the gas pipeline is built that costs may have gone
26 | up; but by the same token our conventional fuel that we
27 | are getting now is certainly going up in the same
28 | proportion.

29 | The other point that I'd like
30 | to bring up is what impact would natural gas have on

1 | the existing fuel suppliers? Now, I can actually --
2 | from my own experience, I am bulk agent for Pacific
3 | Petroleum, having the supply of all the facilities,
4 | government contracts and all the facilities in Fort
5 | Providence. I would certainly be cutting this out
6 | altogether. We would most likely be generating power
7 | with natural gas because it would be cheaper. We would
8 | be heating our homes and our businesses with natural
9 | gas, but considering the total benefit, the benefit in
10 | whole that it would have on the communities, I would
11 | gladly do away with that business.

12 | Thank you.

13 | MR. CARTER: Sir, these are
14 | the questions that Mr. Horte said had to be considered
15 | and I think it's very useful
16 | that they are, and I've got some copies of his
17 | statement, as I stated, and unfortunately only one
18 | extra copy of the study to which I referred, and I'll
19 | place those on the table back here.

20 | THE COMMISSIONER: Yes. Why
21 | don't you give that study to Mr. Phillip, and he might
22 | have a chance to read it over this afternoon or this
23 | evening.

24 | MR. PHILLIP :Thank you very
25 | much.

26 | (WITNESS ASIDE)

27 | THE COMMISSIONER: Yes, Mr.
28 | Stewart?

29 | MR. STEWART: Mr.
30 | Commissioner --

1 MR. JACKSON: Mr. Stewart, I
2 wonder --

3 MR. STEWART: I do believe
4 that Mr. Phillip is under an impression that the gas
5 that would be supplied to the points --

6 THE COMMISSIONER: Excuse
7 me, Mr. Stewart, if you'd like to come forward and sit
8 at that microphone or this one here, you're certainly
9 welcome.

10 MR. STEWART: Thank you.

11 THE COMMISSIONER: And if
12 you don't mind, we'll just swear you. That's a
13 formality we require.

14

15 DON STEWART sworn:

16 MR. STEWART: My name is Don
17 Stewart. Today I'm speaking on behalf of myself, I am
18 not representing the Town of Hay River nor in my
19 capacity as Territorial Councillor. However, there
20 are a few things that concern me in the matter, as I
21 understood the expressions made by Mr. Phillip, that he
22 assumes that gas prices supplied by Foothills to
23 Providence would be a sixth of the cost of present
24 fuels. Foothills in their presentation to the Town of
25 Hay River stated that they would be no more than the
26 present price of diesel fuel. So I think when we're
27 discussing the use of natural gas within the
28 Territories, the first thing that has to be established
29 is the price -- whether it's the gate price at Edmonton
30 or the gate price as it leaves the Territories. As long

1 | as the problem of supply is the only criteria, it's the
2 | cost factor that we're interested in, and not whether
3 | or not somebody builds a pipeline and charges you just
4 | as much for the end product as you're paying now is not
5 | going to be of any assistance whatsoever to the people
6 | of the Northwest Territories.

7 | So on this basis I wonder whether or
8 | not we're not missing something that we
9 | should be having a hard look at at the present time? That
10 | is rather than insisting on the delivery of natural gas at the
11 | high capital cost of building pipelines,
12 | to these various communities, whether or not we shouldn't be
13 | looking at some form of subsidization by the
14 | pipeline people of the products that are more readily
15 | available, that are already in our areas. In other words,
16 | probably most places in the Territories today to subsidize
17 | diesel fuel, because after all energy is what they are taking
18 | from the Territories, diesel fuel is the form of energy more
19 | readily available in
20 | most places without the high capital cost of building lines to
21 | get it; and whether or not we shouldn't be really seeing what
22 | this application would mean of subsidization of a different
23 | type of energy if building these lines the capital costs are
24 | too high,

25 | THE COMMISSIONER: Well,
26 | you're really saying it might be cheaper for them to
27 | subsidize conventional fuels to northern users than it
28 | would be for them to subsidize natural gas.

29 | MR. STEWART: That is
30 | correct, and I think on the capital cost of these lines

1 | this may probably be true. Then you wouldn't have the
2 | other disruptions that they are concerned about. But
3 | it's a red herring that's being dragged across this
4 | situation, unless you relate the cost of. energy, not
5 | the supply of it. Planning to build a pipeline to Hay
6 | River is going to cost us twice as much to use natural
7 | gas than to use diesel fuel, that pipeline isn't of any
8 | value to us whatsoever.

9 | THE COMMISSIONER: Thank you.,
10 | sir. (WITNESS ASIDE)

11 | MR. PHILLIP: I wonder
12 | whether one of the pipeline companies would be willing
13 | to give us some comparative cost figures? After all,
14 | they must have done studies. We don't have enough time
15 | to read them now, and I would think now that these
16 | experts would probably have these figures at their
17 | finger-tips.

18 | My information is that the
19 | cost of natural gas landed here, considering present
20 | day fuel oil and propane costs in our communities
21 | compared to the natural gas at what it could be
22 | delivered to at this time, at the present construction
23 | cost of the pipeline and the present transmission
24 | costs, would be about one- quarter to one-sixth of the
25 | cost that we are paying now. Now I'd sure like to know
26 | a little more about this, if possible.

27 | THE COMMISSIONER: I think
28 | that Mr. Carter and Mr. Hollingworth understand what
29 | Mr. Phillip and Mr. Stewart are saying. Both of them
30 | say that Arctic Gas ought to provide reasonably priced

1 energy to northern communities. They say that if you're
2 going to take energy out of the Arctic, out of the
3 north, the people who live here are entitled to
4 something out of it, and one of the things they say
5 that they are entitled to is energy at a reasonable
6 cost. Can either of you indicate to us whether it is
7 from your point of view, cheaper to land the natural
8 gas here in Hay River and distribute it to people who
9 live here, and have businesses here, or is it cheaper
10 for you to simply use the earnings from the pipeline to
11 subsidize conventional fuels that people are using
12 today in Hay River? That's, I think, what we're driving
13 at here, and --

14 MR. HOLLINGWORTH: Mr.
15 Commissioner, I don 't think that we are prepared to
16 speak exactly on that point. But there certainly is a
17 wide gulf between the views expressed by Mr. Stewart
18 and Mr. Phillip, and possibly it would be of some
19 assistance to have a policy statement made by Robert
20 Blair, the president of Foothills, last night, to a
21 committee in the House of Commons, might be explained
22 by Mr. Burrell, from Foothills Pipelines, who is here,
23 who would try as best he could to put a handle on what
24 the price of natural gas o the consumer would be in the
25 Town of Hay River.

26 THE COMMISSIONER: All right,
27 I think that that might be helpful, and certainly it is
28 being brought forward on the same basis as all of the
29 other material relating to the Foothills matter, and
30 Mr. Carter, you and your colleagues can say anything

1 | you wish, or comment on it after it's been provided to
2 | us.

3 | You might come forward again,
4 | sir.

5 | JOHN BURRELL sworn:

6 | THE COMMISSIONER: Well, go
7 | ahead, Mr. Burrell.

8 | A Thank you. By way of
9 | introduction, I believe it's well-recognized that it's
10 | the approach which is traditionally taken by utilities
11 | is followed, the supply of gas to all but a few
12 | communities cannot be economically feasible.
13 | Regardless of this, Foothills has stated in its
14 | application that it will provide natural gas to some 11
15 | communities in the Northwest Territories at prices
16 | which will compete favorably with alternative sources
17 | of fuel. One of these communities is Hay River. To
18 | supply gas on this basis to these communities will
19 | require subsidization.

20 | I wish to point out that
21 | Foothills is only involved with one of the cost
22 | components which determines the price of gas to the
23 | consumer, the cost of transportation. The cost of
24 | producing and processing the gas and the cost of
25 | distributing the gas in the communities is outside the
26 | Foothills normal business activities.

27 | As for the cost of gas
28 | transportation, Foothills is taking the position that
29 | as part of its business operations it will deem the
30 | cost of transporting the gas from the source of supply

1 | to the town gate of the communities to be the lesser of
2 | (a) the actual cost of service, or
3 | (b) the mainline transportation cost from the
4 | Mackenzie Delta to the terminus of the Foothills system,
5 | which is the 60th Parallel.

6 | This arrangement would apply
7 | only to gas used for residential and commercial
8 | purposes and in the generation of electricity to serve
9 | these two categories of consumers. A special rate
10 | structure will be developed for industrial customers,
11 | the reason being that each industrial role will likely
12 | vary and there may be a need in some cases to add
13 | additional facilities in order to serve these potential
14 | customers.' We would want to know what is involved
15 | before the rate structure is established.

16 | By taking this position
17 | on the cost of gas transportation, we estimate this
18 | will amount to approximately 10 to \$11 million annual
19 | subsidy to northern gas consumers. As a result, in
20 | the Hay River area, for example, the resulting cos's of
21 | gas to the consumer is estimated to be 50 to 60% of
22 | the forecasted cost of fuel oil; and when we made this
23 | projection we were looking at when the pipeline was
24 | operational and at full load, which is in the mid-
25 | eighties.

26 | For the purpose of this
27 | estimate we have assumed that the price of gas in the
28 | processing plant is approximately a dollar an M.c.f.,
29 | and approximately \$1.50 for distributing the gas within
30 | tie communities. These are only estimates based for the

1 | please come forward, if you wish, sir. We want you to
2 | be comfortable.

3 |

4 | DON DEAN, sworn:

5 | MR. DEAN: My name is Don Dean. I'd
6 | just like to speak on this point of subsidization that is
7 | brought up by Arctic Gas and Foothills both. I would ask them
8 | if they do not feel that the north at present subsidizes the
9 | rest of Canada by allowing the direct exploitation of the
10 | non-renewable resources such as at Pine Point, Pointed
11 | Mountain, and the Great Bear area, and that the people in the
12 | north do not even receive an accounting from the Federal
13 | Government on the resources that are being extracted from the
14 | north. It would be interesting and very educational if we
15 | could question the Deputy Minister of Northern Development in
16 | regards to that -- to the subsidization that is presently
17 | being enjoyed by his Department at the expense of all
18 | northern people. When you talk
19 | of subsidization you're talking of subsidizing us;, we're
20 | subsidizing the rest of Canada. Thank you.

21 | THE COMMISSIONER: Thank you,
22 | sir. Do either of you want to argue about that?

23 | MR. HOLINGWORTH: I wasn't
24 | sure if that called for a response, sir, but I suggest
25 | that it's a very broad philosophical matter that's been
26 | raised and we could probably be here for several hours
27 | debating it. I think it's something that's really
28 | outside the scope of this Inquiry.

29 | THE COMMISSIONER: Well, it
30 | was a point forcefully and effectively made by Mr.

1 | Dean.

2 | (WITNESS ASIDE)

3 | MR. JACKSON: Mr.

4 | Commissioner I wonder when Mr. Williams was giving his
5 | overview on what was involved in construction, and this
6 | document. which Mr. Carter handed out talks of the
7 | thousands of tons, I think all along in this Inquiry
8 | it's been emphasized that it is one of the large
9 | projects ever conceived in Canada, and the figures that
10 | are bandied about always seem to be in the millions an
11 | the billions, and I think for ordinary folk, those
12 | figures are very difficult to grasp. I am wondering, I
13 | think it would be helpful for the people here if
14 | perhaps Mr. Williams or someone else from Arctic Gas
15 | could perhaps explain in terms of the - - what is
16 | involved for Hay River, we have this figure that in
17 | 1977, 30,000 tons comes through; 1978, 611,000 tons.
18 | What exactly does that mean? What kind of equipment
19 | comes through? What kinds of activities are involved
20 | in Hay River? He talked about double-jointing the
21 | pipe. Exactly what does that mean? What will happen
22 | physically in Hay River? I think it would be helpful
23 | for the people here to get some sense. People see
24 | trucks coming through Hay River all the time during the
25 | summer. What will be on those trucks? What will happen
26 | physically in Hay River so that people can have some
27 | idea of the dimensions of this physical project?

28 | MR. CARTER: Mr. Williams
29 | can do his best on that.

30 | THE COMMISSIONER: All right.

1
2 GUY LESLIE WILLIAMS, resumed:
3 THE COMMISSIONER: Carry on
4 from there, Mr. Williams. They have seen you.

5 MR. WILLIAMS: Yes, again I
6 should say that these comments that I might make are
7 based on what is in the filing, and are subject to
8 modifications. The double-jointing that's referred to
9 deals with the pipe itself. There is this new mill
10 recently constructed near Welland, Ontario, by Steel
11 Company of Canada that is capable of manufacturing 48-
12 inch diameter pipe that will meet the specifications
13 required of Canadian Arctic Gas, and this mill is
14 what's known as a spiral weld mill, and in that process
15 the length of pipe can be almost to any length that
16 you would want or specify.

17 When we are speaking of pipe
18 from Stelco in Ontario, we are thinking in terms of
19 purchasing pipe in 80-foot lengths, that's 4 feet in
20 diameter, 80 feet long. Now, it is true that all mills in
21 Canada and the rest of the world do not have this
22 capability. Mills that roll pipe by the long seam method
23 rather than the spiral method usually put them out in
24 shorter lengths -- 40-foot length is common; 60-foot
25 lengths are less common.

26 So the double-jointing
27 referred to in the application was on the basis of
28 receiving 40-foot lengths of pipe and at the stockpile,
29 double-jointing site in or near Hay River, the 40-foot
30 lengths would be welded together to form one length of

1 | about 80 feet long, and these would be -- then the 80-
2 | foot joints would be shipped by barge down the
3 | Mackenzie River,

4 | The advantage of the longer
5 | sections of pipe in the field is that fewer welds are
6 | required in the field under adverse conditions. These
7 | shorter lengths can be welded into longer length at a
8 | central location, probably at a more favorable season
9 | of the year. If a stockpile site is selected at Hay
10 | River, as it no doubt will be, I'm advised that an area
11 | of in excess of 300 acres may be required to carry out
12 | these operations, and that during the construction of
13 | the site and particularly as many as 400 men may be
14 | required, workmen, and during the operational period of
15 | the site that again somewhere between 350 and 400
16 | workmen may be required to unload the pipe, to
17 | double- joint, if required, to load onto barges, and so
18 | forth.

19 | The matter of external
20 | coating of the pipe has not yet been settled, and we
21 | are looking at two possibilities, one that a thin mill
22 | paint type of coating be used, conceivably that could
23 | be done at the central stockpile site. The other
24 | alternative is to coat the pipe with a plastic tape
25 | just before -- in the field just before the pipe is
26 | lowered into the ditch. So depending on how these plans
27 | are finalized, of course that varies the number of
28 | people required.

29 | I think it's understood that
30 | an influx of 400 workmen would have some impact on Hay

1 River, and I said that wrongly, it's not necessarily,
2 an influx. Of course I'm sure the Gas Arctic policy is
3 to employ local residents to the extent possible. Some
4 no doubt will have to come in from the south, and to
5 the extent that they cannot be accommodated in existing
6 facilities at Hay River, I'm sure a camp would be
7 provided to take the overflow. When I speak of these
8 400-odd people, that would include some of Northern
9 Transportation people involved in the loading of the
10 pipe. does that help at all?

11 THE COMMISSIONER: I think that's
12 quite helpful. What the Arctic Gas proposal would mean here
13 in Hay River, according to Mr. Williams, would be that you
14 would have a 300-acre stockpile site here in Hay River, you
15 would have 400 construction workers, here, to build and
16 develop the stockpile site, and then when the pipe started
17 coming through in 1978, you would have 400 workers there at
18 the site to handle the loading and unloading of the pipe.
19 Bear in mind that in addition to that you would have more
20 people employed on the fleet of tugs and barges because as I
21 said earlier, you would have to double the capacity of the
22 tugs and barges that take goods and materials down the
23 Mackenzie now.

24 Mr. Williams also said it was
25 Arctic Gas' policy to employ people living here in Hay River
26 so far as possible.

27 Could I ask one question, Mr.
28 Williams? Once the pipeline is under construction -- excuse
29 me, once the pipeline has been built, is buried in the ground
30 and gas is running through it, will there be anybody from hay

1 | River employed on it, or will there be any facilities here in
2 | hay River connected with the pipeline?

3 | A This is referring to the
4 | operation and maintenance phase, Mr. Commissioner?

5 | Q Yes.

6 | A The plan as filed suggests
7 | operating headquarters at Inuvik, Norman Wells. and Fort
8 | Simpson. The operational staff required is not that
9 | great. I think we suggest up to in the neighborhood of
10 | 300 people, and for the most part those operation and
11 | maintenance people would be required to live at those
12 | headquarters. The continuing impact on Hay River beyond
13 | the construction of course, would be the movement of
14 | compressor equipment that will be required to bring the
15 | system up to full horsepower, which will be carried out
16 | over a
17 | period of about five years, I think; and then as you
18 | mentioned earlier, with possible looping after that.

19 | THE COMMISSIONER: What Mr.
20 | Williams is saying is that once the pipeline is
21 | operating, it is not likely that there will be anyone
22 | employed at Hay River in connection with the operation
23 | or the maintenance of the pipeline.

24 | (WITNESS ASIDE)

25 |
26 | THE COMMISSIONER: Well, I
27 | think there was someone over here. Yes, Mr. Maydonik?

28 | MR. MAYDONIK: Mr.
29 | Commissioner, just to extend your statement a little
30 | further on the doubling of the present capacity of the

1 | river carriers so far as barges and tugs are concerned,
2 | I am wondering if Mr. Williams can tell us if Arctic
3 | Gas has yet any proposal with respect to the actual
4 | construction of the barges and tugs, and whether or not
5 | there will be any of that particular activity involved
6 | in Hay River itself?

7 | MR. CARTER: That's not Mr.
8 | Williams' area, sir, and I don't believe that it has
9 | any definite decisions in that regard. It will of
10 | course involve N.T. and the other operators on the
11 | system, and it wouldn't necessarily be an Arctic Gas
12 | decision.

13 | MR. MAYDONIK: This, of
14 | course would have a tremendous impact on Hay River as
15 | well, and I think that the people of Hay River would be
16 | quite interested in learning whether or not they will
17 | be involved in that type of construction.

18 | THE COMMISSIONER: Well, at
19 | Yellowknife we've heard some evidence about this and I
20 | think that Arctic Gas was going to rely upon the
21 | existing carriers, Northern Transportation, CAPS and I
22 | think there were three or four others, to order the
23 | equipment themselves and that is the barges and tugs.
24 | The barges will be for the most part on the order of
25 | the largest barges presently in use on the Mackenzie.
26 | That gives you some indication whether they are likely
27 | to be constructed here in Hay River or somewhere else.
28 | But that's about as far as Arctic Gas' planning seems
29 | to have gone, and that's all that they were able to
30 | tell us at Yellowknife.

1 Those are things, though,
2 that you are perfectly entitled to get up here today,
3 or tomorrow, or the next day, and to express your views
4 about. If the fleet is going to be doubled, should any
5 of the construction be carried out here in Hay River?
6 Should all of it be carried out here? Is that
7 practical? No one expects you to file six volumes of
8 data in support of your views. You live here, you know
9 something about the town and its people, and you're
10 entitled to get up and say what you think because the
11 experts aren't always right.

12 The other matters that have
13 been discussed already, the supplying of gas from the
14 pipeline to Hay River, whether subsidized or not, the
15 supplying of subsidized conventional fuels, you're
16 entitled to express your views on those and on any
17 other issues that have come up.

18 MR. DEAN: On the subject of
19 employment, then, might I submit an article from the
20 "Financial Post" dated May 17, 1975?

21 THE COMMISSIONER: Come up
22 here, if you like, sir.

23 MR. DEAN: Is it Arctic Gas'
24 intention, and it says here that:

25 "Processing buildings would be of moderate construc-
26 tion with models being completed as far as possible
27 in a southern assembly yard to keep on-site labor to
28 a minimum."

29 First of all, could we know where this southern assembly
30 yard is? Is it Calgary, Edmonton? It seems it's the in-

1 | tention to keep this labor at a minimum in the north. If
2 | I might continue, it says later on:

3 | "The applicants have estimated that a labor force of
4 | more than 2,000 men will be required to construct
5 | the drill pads, gathering lines, roads, airports and
6 | gas plants for delta gas production. Following con-
7 | struction, labor force requirements will shrink to
8 | 100 to 125 skilled permanent employees."

9 | THE COMMISSIONER: I wonder,
10 | sir, if you would just hand that article in and it will
11 | be marked as an exhibit?

12 | (ARTICLE FROM "FINANCIAL POST" MARKED EXHIBIT C-10)

13 |

14 | THE COMMISSIONER: Do you want
15 | to comment on that?

16 | MR. CARTER: I'm not
17 | familiar with the article, sir. It's my understanding
18 | that Arctic Gas in a lot of these areas doesn't have
19 | firm policies, and they will-ble detailing the policies
20 | in this area later on in the fall, and I think it would
21 | be wrong for them to have firm policies at this time
22 | because part of the decision-making should take into
23 | account the views that the people in Hay River and the
24 | other communities have, and we're certainly open to
25 | views on this, and whether for example the building of
26 | these modular units should be in Hay River, whether
27 | that's something that Hay River could do.

28 | THE COMMISSIONER: All right.
29 | Well, I think that now that it's been marked, we might
30 | just hand it over to you, and later in the afternoon

1 | you might wish to comment on it,

2 | MR. CARTER: Very good.

3 | THE COMMISSIONER: Yes sir?

4 | MR. STEWART: I will move

5 | before you make me, Mr. Commissioner.

6 |

7 | DON STEWART resumed:

8 | We hear again the familiar term

9 | of local employment being used in regard to the pipeline.

10 | This has been the swing song of pretty nearly all the

11 | development in the Territories to date, and so far has

12 | been, in my opinion, a miserable failure. I think that if

13 | companies are serious in employing local northerners on a

14 | project such as this, that a special work force will have

15 | to be set up that will be independent of their normal type

16 | of work force with trade unions and labor unions and so

17 | forth, involve~ll but will be geared to the people of the

18 | north that have not quite been able to make that

19 | transition step from the old ways to the new ways. That is

20 | a 5-day week and 8- hour day, and this type of thing.

21 | Now the north has played with

22 | two such projects, one was Work Arctic and the other

23 | grew from Work Arctic into Hire North. Now basically I

24 | think a fundamental principle will have to be evolved

25 | and some agreement have o be made to protect the

26 | interests to employ people of the north, and I think

27 | that this is the only way we're going to do it to make

28 | it successful, or some similar type of system.

29 | Basically the system is very

30 | simple. It's a straight case that a job is there when

1 the man shows up. He's away for a day, he doesn' get
2 paid for the day; but if he shows up the following day
3 he does get paid. If he doesn't work for reasons,
4 whether it's laziness or whether it's a hangover, he's
5 asked to go home, he obviously needs another night's
6 sleep, but he still has.a job the following day,

7 Now I know from southern
8 standards that this appears to be not at all very
9 efficient, and I suppose in a way it's not very
10 efficient. But I say that if we are indeed interested
11 in paying lip service to employment of northerners,
12 then we are going to have to devise a method of getting
13 them into this labor force in a manner that they will
14 be able to take part. I would hope that before any
15 decisions are made relative to a pipeline that this
16 matter of employment of northerners be gone into in
17 detail and not the overall way that it has been done in
18 the past by the Department of Public Works, the Federal
19 Government, the Territorial Government, and indeed
20 municipalities on occasions, where nobody had time to
21 bother to see that these people really were employed
22 and look after some of their needs.

23 THE COMMISSIONER: Thank you,
24 Mr. Stewart. (WITNESS ASIDE)

25
26 THE COMMISSIONER: I should
27 say to the rest of you that though I've invited Mr.
28 Stewart and Mr. Phillip to come forward, nobody has to
29 come forward. You can simply speak from wherever you're
30 seated, but these are prominent public figures here in

1 | the north and I thought we should invite them forward.
2 | Mr. Dean is obviously someone who is not afraid of
3 | speaking where there are a number of listeners, so I
4 | invited him forward; but the rest of you don't have to
5 | do that. You can come forward or stay. where you are,
6 | whatever makes you feel most comfortable.

7 | MR. NEUFELD: I would like to
8 | add, to Mr. Maydonik's question on the allied
9 | construction such as --

10 | THE COMMISSIONER: I wonder if
11 | you would give us your name?

12 | MR. NEUFELD: Rudy Neufeld.

13 | MR. JACKSON: I wonder also if
14 | we could pass the microphone back?

15 |
16 |

17 | RUDY NEUFELD sworn:

18 | Yes, my name is Rudy Neufeld,
19 | and to add to the question that Mr. Maydonik raised re
20 | allied construction such as barges and buildings, I
21 | think Hay River had a taste of this last spring when a
22 | Vancouver-based company", Northern Construction, built
23 | about eight barges on Northern Transportation's
24 | property here, and it added considerably to the
25 | activity in Hay River, versus this spring when there is
26 | very little construction going on and yet a Hay River
27 | based company like Northern Transportation chooses to
28 | build barges and tugs in Vancouver, and certainly I
29 | think that the town would like to have some commitment
30 | from these various companies that are going to be

1 | building barges and/or buildings, prior to it
2 | happening.

3 | THE COMMISSIONER: Do you mind
4 | if I ask you one or two questions about that?

5 | Q You said that Northern
6 | Construction was doing some building barges here in Hay
7 | River.

8 | A Yes.

9 | Q That was last spring,
10 | the spring of '74?

11 | A Yes.

12 | Q And do you recollect how
13 | many they built?

14 | A They built, I believe,
15 | eight barges, and these were used mainly for building
16 | artificial islands in the Beaufort Sea for Imperial
17 | Oil.

18 | Q Oh, they were built for
19 | Imperial Oil by Northern Construction?

20 | A They were built for
21 | Northern Construction by Manitoba based company called
22 | Selkirk, I believe, shipbuilders.

23 | Q To what extent were
24 | people in Hay River involved in the program, the
25 | construction program?

26 | A Largely the welders
27 | involved, who comprised the major portion of the
28 | employment, had to be brought in from the outside
29 | because there weren't sufficient qualified welders in
30 | town. However, the servicing of these employees was all

1 | done by local support.

2 | Q That's a matter that
3 | some of you might want to think about because if a
4 | pipeline is built, if all of the activity takes place
5 | here in Hay River that has been outlined, the extent to
6 | which so far as it lies within their capacity, local
7 | Hay River businesses should be given the business
8 | that's something that I think you're entitled to give
9 | me your views about. You said that N.T.C.L. built some
10 | barges this spring.

11 | A Two years ago.

12 | Q Oh, it was two years
13 | ago?

14 | A Two years ago when
15 | Northern Transportation Company Limited spent in the
16 | neighbourhood of \$35 million on equipment, they had all
17 | their barges and tugs built in Vancouver and then
18 | brought them around by Point Barrow.

19 | Q Oh, I see.

20 | A And into the Mackenzie
21 | system that way.

22 | Q Was the -- you say that
23 | the experience a year later in the spring of '74 when
24 | Northern Construction through Selkirk built eight
25 | barges here, shows that the work that N.T.C.L. did two
26 | years ago could have been done here. Is that --

27 | A I believe it could have
28 | been done here. At that time N.T.C.L. didn't have
29 | their yard completed to the size that it was last
30 | spring, and they would have been faced with having to

1 | step up that portion of the construction in order to do
2 | that on their own facilities here; either than or they
3 | could have waited with their construction for a year
4 | until they were ready within the Town of Hay River; but
5 | the major portion of their spending wasn't only not in
6 | Hay River, it wasn't even in the Northwest Territories.

7 | THE COMMISSIONER: Yes, it
8 | was in Vancouver. Thank you very much, sir.

9 | (WITNESS ASIDE)

10 |
11 | THE COMMISSIONER: Yes sir?

12 |
13 | ROBERT McMEEKIN, sworn:

14 | MR. McMEEKIN: This is further
15 | to Mr. Maydonik's remarks concerning employment and
16 | construction in the Hay River area. He mentioned
17 | earlier that there should be possibly 300 acres made
18 | available for the storage of pipe, etc. This in itself
19 | has a considerable capital cost in fill and level and
20 | so forth, and if you are looking at the construction of
21 | these many barges and tugs, would it not be more
22 | economical to utilize that area for an additional two
23 | years for these type of projects to help defray the
24 | capital cost of development?

25 | THE COMMISSIONER: Excuse
26 | me. Do you want some clarification of that?

27 | MR. CARTER: I didn't quite
28 | get it all.

29 | THE COMMISSIONER: Just take
30 | your time and repeat that thought, because these

1 gentlemen didn't quite follow you. Just take your time
2 and explain it again, if you wouldn't mind.

3 A It was brought up that there
4 would be approximately 300 acres required for pipe storage,
5 and double-jointing, or whatever, if the pipeline were to
6 go. Now, in the event that the pipeline was announced,
7 that would mean that you would have to construct the other
8 barges and tugs, etc., and what I am saying is that if
9 this area has to be developed for pipeline storage, why not
10 utilize it for the construction of the barges and tugs and
11 gearing up local labor type of thing so that it would
12 defray the capital cost of development of this area? Some
13 areas you may be looking at 5-6 feet of fill and gravel
14 that you have to haul in, and levelling and that sort of
15 thing, and if you're going to use it specifically to store
16 pipe on, then it's a one-shot item, whereas if it's
17 developed and you use it for barges and so forth, for
18 building barges and tugs in the interim period prior to the
19 shipment of the pipe coming in, then you'd defray some of
20 the capital costs.

21 Q You're really saying
22 that Mr. Neufeld's suggestion fits right into Arctic
23 Gas' plans just on the face of it.

24 A Well, the next thing that
25 comes up, they'll say, "There's not enough room to
26 build all those tugs and barges in Hay River," whereas
27 if the pipe storage area was developed sooner, then
28 you'd have more than enough area.

29 THE COMMISSIONER: Well, any
30 comment on that?

1 MR. CASTER: It's a good
2 point sir. I just repeat what I said before, that the
3 construction of barges would be the operators, as we
4 see it now. I might say that in connection with the
5 article in the "Financial Post" that Mr. Dean filed,
6 as an exhibit, it's an article dealing with the
7 producer's application on the delta gas plants, and
8 the figures quoted in there for permanent employment
9 refer to the processing plants in the delta, which are
10 different and the subject of a separate application
11 from the pipeline; but of course are relevant to this
12 Inquiry, as you've ruled, in the overall aspect.

13 (WITNESS ASIDE)

14 THE COMMISSIONER: Yes sir?

15

16 STUART DEMELT, sworn:

17 MR. DEMELT: Mr. Commissioner,
18 my name is Stuart Demelt, and further to what Mr. Stewart
19 was saying about local employing local people. I've had a
20 lot of experience and that, I've lived up in the north here
21 since I was nine years old and I've been in a position where
22 I have employed local guys for quite a number of years, and
23 I'm in full agreement with what he says. I think if this
24 type of a program was set up that it would be of enormous
25 benefit to the north. An awful lot of people could be used,
26 and in listening to all the comments about the pipeline, and
27 just about all that I've heard has been against the
28 pipeline, and from my experience from living up here with
29 these people just about everybody that has been criticizing
30 it to a man is people that have been just about exclusively

1 | on welfare or
2 | government grants ever since welfare became popular up in
3 | this country, whether it's trappers or workers or whatever
4 | the case may be, the good trappers aren't criticizing it;
5 | the good trappers see this as a way
6 | of opening up the country so they can get out to where the
7 | fur is, and all the criticism that I have heard has been by
8 | people that haven't trapped, don't know anything about
9 | trapping, and have no intentions of
10 | trapping. So I feel that we need development up in this
11 | country. I'm all for progress. The people that have been
12 | hollering about it, if they
13 | had to go back to the old ways and live as their forefathers
14 | did, would all either starve to death or they'd go south and
15 | say, "Give the country to the white man."

16 | I've lived here since I was
17 | nine years old. I trapped till I was 34 for a living,
18 | so I think I know what I'm talking about. So I have a
19 | few of my friends that would like to come out, if this
20 | hearing is going to be open after supper, and of course
21 | they are in a position where they have to work for a
22 | living and I would like to leave and come back and do
23 | some more and to - -

24 | THE COMMISSIONER: Well, we're
25 | going to be meeting here at eight o'clock tonight, and
26 | again tomorrow at 1:30 in the afternoon, and at eight
27 | o'clock tomorrow night, so we'll certainly be anxious
28 | to hear from your friends and anybody else that can't
29 | make it except in the evening.

30 | A Thank you.

1 THE COMMISSIONER: Thank you,
2 sir.

3 (WITNESS ASIDE)

4 THE COMMISSIONER: Yes sir?

5

6

DICK VAN WEELDREN sworn:

7

8

MR. VAN WEELDEREN: My name is Dick
9 Van Weelderren. Although I'm only five months in this country,
10 I came from overseas from the Old Country, there are a couple
11 of things which I would like to mention. Hearing a lot about
12 the employment,
13 people wanting to work, etc. etc., what I now understand is
14 that -- from Mr. Berger -- that the total number of tugs and
15 barges which have to move on the river and will be increasing
16 100%, which means there will have to be another 100% with the
17 crew which is now on board of the tugs, and handling the tugs
18 and barges alongside the river. I understand it takes about
19 three years before you get a mate's licence, and if you are
20 lucky it takes you altogether four years before you are
21 captain. But getting 100% more people with licence, of 100%
22 more licenced people on this river where it is now already
23 very difficult to get licenced crew on the tugs, I just
24 wanted to bring to the attention of the people concerned that
25 it's of the river operators a real big concern how do you
26 get good trained people, reliable, because when there are so
27 many more tugs and barges moving over this river, it is more
28 or less becoming a highway than between say Hay River and
29 Edmonton, and there you need a drivers licence as well. I
30 presume that you need anyway good trained people on the

1 | river, and it's very difficult to get them. So one of the
2 | things which has to be done by the operators anyway is that
3 | they have to look other than in Hay River and in Fort
4 | Simpson and along the river to go to Vancouver, to go to the
5 | Great Slave Lake, took all the people from there, took all
6 | the men to be here on the tugs and barges.

7 | The other thing which the
8 | operators at the moment are, well, really worrying
9 | about -- I understand now from the Arctic Gas, Mr.
10 | Williams -that it is the intention that all river
11 | operators, just like Northern Transportation, Kaps,
12 | Keen Industries, that's my company, well, Art Neff ,
13 | etc., will supply only when the pipeline has to run the
14 | equipment; but now we come to the point which has just
15 | been mentioned as well, that is where can we build this
16 | equipment in such a short time? You can't do it all in
17 | Hay River. That's one of the reasons why Northern
18 | Transportation went to Vancouver for building in
19 | Vancouver, sailing it around Point Barrow is about 25%
20 | cheaper than doing it here up north in Hay River,,
21 | Northern Construction was building its barges in
22 | Vancouver, assembled them here because they had to be
23 | on time. So what will happen is that there will be some
24 | barges and tugs assembled here in Hay River, but they
25 | will be also assembled in Fort Simpson, Fort Nelson,
26 | all along the river, Vancouver, whatever it is. We need
27 | time, everybody needs time, and one year lead time is
28 | too few. We need time for training purposes, time for
29 | allocating the funds, the companies, and allocating the
30 | yards where you can do it, otherwise you don't get good

1 | people and good equipment.

2 | That's just what I want to
3 | mention.

4 | THE COMMISSIONER: You said
5 | that Northern Construction assembled the barges up here
6 | last year.

7 | A Right.

8 | Q Well, what were the
9 | components that were shipped in here? Obviously you
10 | weren't here, but you seem to know a lot about it.

11 | A What I understand is
12 | that the barges are being built, fully built in a
13 | specific yard, whatever yard it may be, in Vancouver.
14 | Then a guy comes alongside with an arc, cutter or
15 | whatever you can call that, and they put it in 25 or
16 | 60-ton pieces on railroad cars, ship it into Hay River,
17 | drop it on some yard, assemble it and push it into the
18 | water. That happens with barges and tugs.

19 | Q I see, so they were
20 | really disassembled in Vancouver after construction and
21 | then reassembled here.

22 | A That's right.

23 | Q Thank you.

24 | A But another question
25 | which I would like to know: So far I understand that
26 | other operators are mentioned as well. Our company is
27 | the third river operator, so far we haven't had any
28 | approach from Arctic Gas whatsoever on how do you build
29 | tugs or whatever it is. So I just want to know, is it
30 | an N.T. monopoly or is somebody else available as

1 well? For all the crew, most of our crew we use on
2 board of our tugs and barges are coming out of this
3 area, 90% of our crew which we use comes out of Fort
4 Simpson, Fort Nelson, along the river area.

5 Q What is your company
6 again?

7 A The company is Keen
8 Industries Limited out of Edmonton.

9 MR. CARTER: Well, I will
10 pass that along.

11 A O.K. Do I get an answer
12 by mail?

13 MR. CARTER: Mr. Williams
14 says he's got something to add.

15 THE COMMISSIONER: Go ahead,
16 Mr. Williams. This is even better than by mail.

17 MR. WILLIAMS: I would just
18 like to make a couple of comments. I think the
19 Canadian Arctic Gas application states that eight barge
20 sets would be required to be dedicated to the project,
21 and in a report by C.N./C.P. who did the logistics
22 study for Canadian Arctic Gas, they suggest that an
23 additional three barge sets would be required to move
24 the total requirement, three in addition to the eight
25 that would be dedicated to Canadian Arctic Gas.

26 Now, I'm not sure, Mr.
27 Commissioner, if that means doubling the existing
28 fleet.

29 THE COMMISSIONER: No, the
30 capacity -- it's clear that the capacity has to be

1 A There was one answer I am
2 also waiting for -- thank you for the other answers --
3 that is the relation with Northern Transportation. Do I
4 understand that that's the only relation there is with
5 a river carrier?

6 MR. WILLIAMS: Well, again I
7 can't speak for Arctic Gas policy, but I'm sure it's
8 not their intent to get into the tug and barge movement
9 business, and it would be through other carriers, and
10 they have -- I'm sure they've had discussions with
11 carriers other than Northern Transportation.

12 A Well, if they've had it
13 they should have had it with, me. Thank you anyway.

14 THE COMMISSIONER: Thank
15 you, sir.

16 MR. WILLIAMS: Just to
17 continue that question, I know that Keen Industries
18 have had discussions with Northern Engineering in the
19 planning of the logistics as put forward in the
20 application. Now whether Arctic Gas is continuing
21 discussions with Keen Industries, I have no idea.

22 THE COMMISSIONER: All right.
23 I think that you heard that last answer, didn't you,
24 sir?

25 A Yes.

26 (WITNESS ASIDE)

27 THE COMMISSIONER : Go
28 ahead, sir.

 ANGUS LENNIE, sworn:

29 MR. LENNIE: My name is Angus
30 Lennie. I've been travelling around the Territories. I was

1 born in the Territories and in my travels I've met many
2 people, I've talked with them, and I feel that as a native
3 person, the pipeline, communities, the people I'm very
4 concerned about. I feel that not only in terms of northern
5 development but in terms of the whole concept of the
6 pipeline, northern employment concerning native people
7 should come from the people from the community and
8 throughout the Mackenzie Valley. I feel that a native of
9 the north, or if I was a native of any country, I would feel
10 that I would want to have something to say and I'd want to
11 have an input, and I
12 feel that having an input is having a just land
13 settlement for the native people in the Territories. I
14 look now and see your map which is concerning the
15 construction of the pipeline. It goes through many
16 traditional lands of the people who have lived there
17 for thousands and thousands of years. I feel that a
18 land settlement would be both economical and beneficial
19 to the needs of all people, I would say, in the
20 Northwest Territories. It would at least of all keep
21 the economy of the north growing, hopefully a turning
22 point in history, in the history of the north. Thank
23 you.

24 THE COMMISSIONER: Thank you,
25 sir.

26 (WITNESS ASIDE)

27 THE COMMISSIONER: Well, I think
28 we'll take a break for a few minutes, and coffee is available,
29 and you're all invited to join us for a cup of coffee and then
30 in five or ten minutes we'll start again and carry on for a

1 | little longer this afternoon.

2 | (PROCEEDINGS ADJOURNED TO 3:45 P.M.)

3 | (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 | THE COMMISSIONER: Well, we'll
5 | carry on for a little while longer, and then stop for supper;
6 | but it doesn't seem quite as warm here as it was 20 minutes
7 | ago so anyone who hasn't spoken, or who has who has something
8 | to say, please feel free.

9 | Yes, sir?

10 | MR. TETRAULT: I would like
11 | to make a small presentation.

12 | THE COMMISSIONER: By all means. You
13 | could come over here, if you like.

14 | DONALD TETRAULT sworn:

15 | THE WITNESS: My name is Don
16 | Tetrault, and I would like to give you, Mr. Chairman, a
17 | scenario on what the pipeline and its effect will have
18 | to the small business men operating in the Northwest
19 | Territories, specifically from Hay River.

20 | I think that some of the
21 | things I have to say will be of a general nature, in
22 | other words I will expand on what is happening to our
23 | firm and will say that this is relative to other
24 | industries' or other firms also operating in the
25 | Territories. I think that in order that you can
26 | understand that I have the ability or even the right to
27 | generalize somewhat, I think that it would only be
28 | fair, that I give you something of my background.

29 | I am the president of two
30 | firms, one of them is Arctic

1 | Cruise Lines Limited, and
2 | the other one is Arctic Ocean
3 | Services. Now being president is not really as
4 | impressive as it may sound. Being president of the two
5 | firms means that the Board of Directors can instruct me
6 | to work either as a janitor or a filing clerk or the
7 | operator without paying me the union scale.

8 | Now, I have made some notes that
9 | I'd like to refer to occasionally in this little
10 | presentation. The position with these -- relative to these
11 | two corporations, I got involved in this in 1969, but first
12 | came to the Territories in 1959 and have been involved
13 | directly in the transportation industry, particularly the
14 | marine transportation industry, since then. But I've also
15 | become involved not only on a municipal but on a Territorial
16 | level with regards to Chambers of Commerce, involvement with
17 | other communities T and other businesses. I'm also the
18 | founding president of the Northwest Territory Chamber of
19 | Commerce, and the past council member of the Town of Hay
20 | River.

21 | My work background has been that
22 | I've been employed with the major transportation industries
23 | in existence today, and some that are defunct, namely,
24 | Northern Transportation, Yellowknife Transportation, Canadian
25 | Coast Guard (I was port captain for a number of years here in
26 | Hay River), and as the president of the Northwest Territories
27 | Chamber of Commerce I had the opportunity to travel
28 | extensively from one end of the Northwest Territories to the
29 | other, either getting involved in establishing Chambers or
30 | assisting Chambers or co-ops in the smaller communities.

1 The company itself that I run or
2 work at was established in 1969 for two specific reasons:
3 First of all to get into the marine transportation to move
4 passengers up and down the Mackenzie River, and secondly,
5 since it had never been done
6 before, we felt we had to justify the construction of such a
7 ship or ships with a view in mind that if there was no
8 tourism or if the people didn't want to come up to the
9 Northwest Territories, the vessel had to be utilized in other
10 ways. I felt that even back in '68 and '69 (there was a lot
11 of talk of pipeline construction
12 even then) that the vessel would have to be utilized in the
13 pipeline industry or in the laying of the pipeline in one way
14 or the other. Consequently we designed the vessel
15 specifically to move passengers, but also to be used in a way
16 that no other vessels are available in the Territories,
17 namely, we're the only ship with the capability of doing
18 extensive scientific or hydrographic or seismigraphic
19 research work relative to the pipeline construction,
20 particularly in terms of scientific research whereby large
21 numbers of people could be put afloat and moved from one area
22 to the other on the Mackenzie River without utilization of
23 large-powered tugs. bringing in camps, putting them aboard
24 barges, and in other words using three or four different
25 components to move X number of people on the river.

26 Now, as far as the business man is
27 concerned, I am not the only one that has taken a long look
28 at pipeline construction and how it would affect the
29 business men. There are many business men in Hay River,
30 Simpson and Inuvik, Yellowknife, who have taken a long look

1 at plans, at the pipeline, and how it would affect their
2 businesses, and consequently they have expanded their
3 businesses with larger fleets, if they're in the trucking
4 business, larger hotel rooms or more accommodation, more
5 camps if they're in the camp business, and this has taken a
6 considerable amount of funds, and these funds had to be
7 generated outside the Territories to a large degree,
8 particularly in light of the fact that the Territorial
9 Government until recently, their small business bane was
10 limited to
11 approximately \$15-20,000. Now it has gone to \$50,000 and as
12 far as the business man is concerned, today they are talking
13 about millions of dollars and hundreds of millions in
14 construction for camps, materials; the local business man in
15 the Northwest Territories is restricted for borrowing on the
16 Territorial level to \$50,000, and today's prices and costs,
17 \$50,000 is very little. Consequently we have to go outside
18 to either banking firms or the Industrial Development Bank.

19 This has caused a considerable
20 hardship to many of the small companies and they have in turn
21 turned to the larger existing companies outside the
22 Territories for assistance, either direct financial
23 involvement in their firm, or establishing other firms or
24 other businesses relative to their industry, but on a joint
25 venture basis. A good example is our own commitment whereby
26 we got involved with another major transportation company to
27 purchase a second vessel to be used exclusively in the oil
28 exploration, pipeline development. This was brought about by
29 necessity, lack of funds available through the Territories or
30 I.D.B, but the one advantage with working -- and many

1 | companies are going to have to do this and have also, and
2 | have done it already, where they have involved themselves
3 | with large companies outside in a form, either partnerships
4 | or joint ventures, simply because we need their money;
5 | they need our expertise assistance. In other words, we have
6 | the ability to move across the country, we're familiar with
7 | the problems of working in the north, we're familiar with the
8 | manpower problems, familiar
9 | enough that we can cope with them satisfactorily. Maybe not
10 | the satisfaction of the bankers but to our Board of
11 | Directors' satisfaction,

12 | Now these joint ventures are a
13 | thing of the future. They're going to become more and more
14 | so because there is no way that small transportation
15 | companies can get themselves involved in large sums of money
16 | that is required for the movement of the pipeline, the
17 | figures that they gave, something in the neighborhood of a
18 | maximum of 611,000 tons. Each one of these four or 5,000
19 | horsepower vessels costs anywhere up to \$6 million, and a
20 | million and a half for a barge. The small business man in
21 | the Territories cannot raise that kind of money.
22 | Consequently, many of the small transportation companies in
23 | existence in the Territories today, will have to make their
24 | money in the riverlets that are left over from the waves the
25 | large transportation companies have caused.

26 | Now that means that none of
27 | the major or none of the smaller transportation
28 | companies really expect to become involved in the
29 | movement of hundreds of thousands of tons of freight.
30 | However, we have become specialized to the extent that

1 we can provide services to the oil industry, that is
2 uniquely ours in the sense that we have the local
3 knowledge, we have the materials, but we do not have
4 the financing, the long-term financing; and we are
5 asking the pipeline construction people and the other
6 related industries that they give serious consideration
7 to allowing the small business men in the Northwest
8 Territories a piece of the action. Now I understand
9 the problems that the major companies have relative to
10 working with the small transportation companies or
11 small industries in the Territories. An example would
12 be where there is a million gallons of fuel that has to
13 be moved and a couple of camps. Now there is no way
14 that the three local marine transportation companies
15 could move that million gallons or two million,
16 whatever the case may be. But we could certainly move
17 that camp, or we might be able to do the advance survey
18 work or engineering work that is required to put in
19 that camp.

20 Now the large companies are
21 going to someone like Kaps or Northern Transportation
22 and they're saying, "We've got two million gallons of
23 fuel to move," or "We've got 500,000 tons of freight to
24 move. Give us a package on moving the whole thing."

25 But by the same token, if
26 they had gone out to job lots rather than just turning
27 over 500,000 tons to one company, they could have said,
28 "Well now, look, you people handle what equipment you
29 can handle in terms of large bulk movements that the
30 little outfits can't handle, but let the smaller.

1 | companies have an opportunity to move the equipment
2 | that they are capable of moving,"

3 | Now I don't think that any of the
4 | major -- the smaller transportation companies even want to get
5 | involved with the movement of 615,000 tons of freight. It's
6 | physically impossible, it's economically impossible. We can't
7 | raise that kind of money on short terms because we're
8 | competing directly with such firms
9 | as Northern Transportation who have access to unlimited funds
10 | because they're a Crown corporation; the other transportation
11 | firms have to go through the market for their money. To go
12 | into the market for money is long and tedious and not always
13 | available, whereas funds made available through an order-in-
14 | council is much easier. We wish we had that opportunity too.
15 | Unfortunately, it's not to be.

16 | Now --

17 | THE COMMISSIONER: Excuse
18 | me, funds made available through what?

19 | A Order-in-council,

20 | Q Order-in-council?

21 | A I'm referring to
22 | Northern Transportation being a crown corporation.

23 | Q Yes.

24 | A They do not necessarily
25 | have to go through the market for their money as we
26 | have to.

27 | Q I missed the words
28 | "order-in-council".

29 | A Now one of the other points I
30 | would like to make here is that the problems that we are

1 | having relative to the marine industry is quite similar to the
2 | problems that other small business men are being involved in.
3 | Hay River, for example, local hardware store, we're asked to
4 | supply only the things that the majors have forgotten to pick
5 | up in Edmonton, Calgary Montreal or Vancouver on their way in
6 | here. Mention was made earlier of the construction of barges
7 | and equipment here. The one barge construction firm, Purvis,
8 | which was named Selkirk, come in here and they do an
9 | excellent, job. The only thing is that they leave very
10 | little in the country. They bring their own welding rods,
11 | their own stringers, everything. They go down and they buy
12 | what they need in the local hardware store, what they've
13 | forgotten to buy in Winnipeg or Vancouver.

14 | There are firms right here in
15 | Hay River -- and a good example is the construction
16 | that is going on right now in West Channel -- the major
17 | companies bring in their welders and their fitters and
18 | all their equipment from Vancouver. There is a firm
19 | building a barge in West Channel, assembling it now,
20 | all their men, 28 welders, fitters, most of them are
21 | right from here in the Northwest Territories. They've
22 | scrounged them up at Fort Smith, Fort Providence, Hay
23 | River. Their fitters are local men. Many of them are
24 | men who sail on our ships in the summertime and, build
25 | barges in the winter and spring. The major companies
26 | bring in their fleets to assemble them here. There are
27 | facilities here to build fleets, to double the fleet.

28 | There was a remark made earlier
29 | that we don't have the shore space to double the fleet, that
30 | Northern Transportation couldn't have built their fleet here

1 | two years ago because of a lack of space. I'd like to remind
2 | him that four years ago the exact same size fleet with more
3 | barges were built right here in this area. Granted, like
4 | all barges and tugs, they are prefabbed in sections in
5 | Vancouver or Winnipeg, and they are assembled here. They
6 | were assembled here by utilization of all the facilities, not
7 | just in Hay River but Hay River and Fort Smith. There is
8 | acres of yard facilities at Fort Smith that aren't being
9 | used today because they build their ships in Vancouver and
10 | sail them around. He says it's 25% cheaper to build them in
11 | Vancouver. W The actual physical outlay of dollars maybe 20
12 | to 25% less in cost, but the fact is that they didn't get in
13 | here until September. They lost the whole year. If those
14 | vessels had been assembled and brought in here and built here
15 | in February and March, as they're doing now, those vessels
16 | would have had an extra year's sailing. That's dollars and
17 | cents, too.

18 | Now I realize you're from Vancouver
19 | and you can appreciate that Vancouver Shipyards have to be
20 | busy also; but the fact that these barges and tugs are being
21 | built for the exclusive use in the Northwest Territories,
22 | they can't go anywhere else and work, they're shallow
23 | draught, they're built to specific specifications to do a
24 | specific job here. You can't sail them to the Great Lakes,
25 | you can't sail them on the West Coast. The Ministry of
26 | Transport won't allow you to licence them because of their
27 | shallow draught and their construction.

28 | I think if an honest effort was made to build those vessels
29 | here, we have the facilities we have the trained personnel
30 | and I'd be happy to sit down with anyone and give them facts

1 | and figures and the names of people that can do this.

2 | Kaps Transport, Arctic Navigation,
3 | their barges and their tugs were built here. Not only did
4 | they utilize the facilities here at Hay River and Fort
5 | Smith, but they went ahead and they took facilities that were
6 | non-existent and built their own facilities in Fort
7 | Providence for the launching of brand new ships, and they
8 | said, "Well, we don't have the land here, we've got to build
9 | them in Vancouver."

10 | The next question that comes to,
11 | mind relative to the marine industry is the utilization of
12 | outside help on board these vessels. The cry is that you
13 | cannot use local talent on ships. One of the reasons that
14 | we were able to establish the joint venture with another
15 | major transportation company was because when I left the
16 | Coast Guard to start out on my own I took half the crew
17 | with me, But I took the crew that weren't established in
18 | Coast Guards but were young men, 18, 19, 20 years old. They
19 | sailed with me for a couple of years, we sent them off to
20 | school, they got their certificates, they're back here,
21 | most of those men now are working in the industry. They
22 | live here, their homes are here, they earn good wages. I
23 | have to compete with Northern Transportation and Kaps the
24 | same as the other small companies do. We have to pay the
25 | same wages. We buy the same grub, we buy the fuel from the
26 | same supplier. We have to compete with them on the same
27 | level.

28 | Now the reason that we went into
29 | this joint venture was because we had to get young men who
30 | had been up and down this river and they were able to do

1 work in this river without the assistance of pilots or
2 specialists because these were the same
3 boys that had been trained to put all the buoys and markers
4 in on the river, and build the aids in riavigatio for the
5 other ships. All these skippers that are coming out from
6 Vancouver and Victoria and Newfoundland are sailing down the
7 river using markers and aids that are being put in by local
8 men that sailed that river without markers or aids.

9 Now the major transportation
10 companies, say "We have to get our men from Vancouver
11 because you don't have licenced men in the Northwest
12 Territories,' Well, I would like to point out that
13 until several -- about three or four years ago -- all
14 these West Coast experts come out here to sail large
15 ships fully licenced and excellent seamen.
16 Unfortunately they didn't know the Mackenzie River so
17 they had to have pilots, and where were the pilots? They
18 were the trappers and the hunters who worked on the
19 land in the wintertime, and they walked aboard the
20 ships and they showed these West Coast pilots, skippers
21 and mates how to take their ships down-river.

22 The unions stepped in and
23 said, "Well now, these fellows have got to become union
24 members." But they're neither captains nor, mates nor
25 engineers and they're not deckhands. So if you're a
26 master or mate you've got to be with the Canadian
27 Merchant Service Guild; if you're a deckhand you've got
28 to be with the S.I.U., and the unions didn't put these
29 men into a category because they were unlicenced but
30 they were moving 10 and 12,000 tons of freight down the

1 | bloody river without any help with a certificate
2 | or any assistance from the Ministry of Transport with
3 | regards to eyesight or their ability to move from one
4 | area to the other. Because of the unions' inability to
5 | classify these men, a lot of these men left the
6 | industry They went back to the, Land. Now the industry
7 | is screaining "We can't operate on the river because we
8 | don't have licenced personnel." So we take the men in
9 | the Territory, wut them aboard our ships, we train them
10 | for three or four years, we send them out to Vancouver
11 | to get their master or mate's certificate, and the
12 | Ministry of Transport says, "Fine, that man is capable
13 | of being skipper on the Mackenzie River in the Western
14 | Arctic, but he can't sail the same ship on the West
15 | Coast." They say the limitations -- "because you've only
16 | sailed on the rivet 'n that's where you shall stay." But
17 | they allow all the skippers, if you got a ticket on
18 | the West Coast you can come in here; but if you got a
19 | ticket here, you can't got on the West Coast.

20 | So the fellows are saying,
21 | "Well, what's the sense of staying in an industry where
22 | first of all they tell you that you can't sail without
23 | a licence, and then when they give you a licence they
24 | won't even let you go anywhere else in the industry?"

25 | The men that we have have
26 | stayed with us, have gotten their licences, they don't
27 | intend to go to the West Coast or the Great Lakes.
28 | They're highly trained men. They must be. They've all
29 | gone to higher paid jobs with the major industry. But
30 | I've got to be proud of the fact that they didn't have

1 | to go to the west Coast to get these men.
2 | These are local people, they live here year-around. I
3 | think that the major oil patch industry can take a look
4 | at other companies in the Northwest Territories who
5 | have the same problems, the same capabilities. We have
6 | people living here 12 months of the year working in
7 | many aspects of various jobs, either in the
8 | transportation, as I say, mates and engineers are
9 | working as mates and engineers in the summertime,
10 | they're working as mechanics, welders, fitters in the
11 | wintertime. They're staying in the north. They're
12 | contributing to the north. Most of the money that is
13 | earned by the other major transportation companies goes
14 | out of the country. All these mates, mates, engineers,
15 | deckhands, they all leave. They spend their money in
16 | Newfoundland, Vancouver and Victoria. The small
17 | transportation companies, their people stay here. The
18 | money stays here. They don't have offices in Edmonton
19 | and Vancouver and Calgary. Their offices and their
20 | pickup trucks and their groceries and everything else
21 | that they buy -- to give you an example of an offshoot
22 | of a very small corporation, one, and then I'll leave
23 | you.

24 | Arctic Cruise Lines in a year
25 | usually generate anywhere up to \$300,000 gross. Now our
26 | information is that that \$300,000, other than the money that
27 | has to be spent for insurance premiums which go to London,
28 | England, and fuel to Imperial Oil, the rest of the money
29 | stays here. It goes in wages, fuel, cost of the vessel; but
30 | that \$300,000 gross also generates another \$300,000 with

1 | people coming into the country. That \$300,000 is made up of
2 | hotels, motels, chartered aircraft, the goodies that they
3 | buy at the various communities going up and down the river.
4 | The other companies don't generate that kind of money or
5 | bring that kind of people in. If we got involved in the oil
6 | and gas industry, because of a lack of passengers, we would
7 | generate the same type of money for the simple reason that
8 | the people that would be coming in here to utilize our
9 | vessel may not be paying tourists, but they would be
10 | spending the same kind of money here. In other words,
11 | instead of carrying 20 tourists, we're carrying 20
12 | scientists or 20 people from McGill University or any other
13 | such establishment that may be coming in here to either
14 | study the environment or study us.

15 | I would suggest -- and I
16 | think later on in the hearings presentations will be
17 | made by municipalities and the Hay River or the
18 | Northwest Territories Chamber of Commerce, that this
19 | information is being put together in book form to allow
20 | the oil industry, to provide the oil industry with the
21 | information pertaining to the ability or capability of
22 | the small companies operating in the Northwest
23 | Territories, I would ask that the major companies,
24 | pipeline companies seriously consider the possibilities
25 | of working closely with the municipalities or the
26 | Chamber of Commerce, if you're unable to work directly
27 | with the companies, to allow the small companies to
28 | participate in some degree in providing you with
29 | information for services relative to the pipeline.

30 | There are firms that can work

1 with you. You don't necessarily have to get all your
2 services from Northern Transportation or the government
3 or Kaps Transport, or Arctic Navigation. The small
4 companies that are here can expand, can grow. They are
5 prepared to put their money where their mouth is. They
6 say that when the pipeline is finished all industry
7 will be finished. I disagree with that. For when the
8 pipeline goes through, there will be other studies; not
9 only will they want to study us further, they will want
10 more information on the environment. The pipeline is
11 going to take ten years. We'll have up's and down's in
12 terms of the economy and the tonnage, but it's going to
13 be ongoing. All you have to do is take a look at
14 Northern Alberta. Those pipelines stretch back and
15 forth across that country and many of the businesses
16 that work in High Level and Peace River that started up
17 simply to provide just two or three years work to the
18 oil industry are still in existence. They may be
19 providing different businesses, different services, but
20 they're still there, still working on pipelines either
21 clearing brush or doing scientific research studies or
22 providing services to the oil companies.

23 So again, Mr. Chairman, I
24 would urge these people very seriously to consider the
25 social and economic impact that they will have on the
26 small business men because I'm sure that the small
27 business men is capable and prepared to work with you
28 to any degree; and contrary to your opening remarks,
29 Mr. Chairman, I would welcome any cross-examination or
30 questions either from the lawyers, the legal beagles,

1 | or people from the floor.

2 | THE COMMISSIONER: Well, how
3 | do you feel about that, Mr. Carter, is that an offer
4 | you can't refuse?

5 | MR. CARTER; I'll take a rain
6 | check on it.

7 | THE COMMISSIONER: Well,
8 | thank you very much, sir. That was a most thoughtful
9 | and helpful presentation. I certainly appreciate it.

10 | (WITNESS ASIDE)

11 | THE COMMISSIONER: Yes sir?

12 | RAY FABIEN sworn:

13 | THE WITNESS: My name is Ray
14 | Fabien, and I was born and
15 | raised here in hay River.

16 | I sort of prepared for this
17 | thing, so I'll be reading off this most of the time.

18 | THE COMMISSIONER: Certainly. You
19 | just go ahead.

20 | A Until I was about the
21 | age of 9 or 10, my family was out in the bush with my
22 | father who was trapping seven months of the year.
23 | Because we were out from October till May, we weren't
24 | getting the right amount of education. My father
25 | decided that we should get our education in Hay River
26 | and went out trapping alone. I went to school until I
27 | was age 16. Because of the great change in those five
28 | years in Hay River, in Hay River's development, I found
29 | it difficult and my family found it difficult to keep
30 | pace with the change. I'm a little nervous here.

1 Q Well, you just take your
2 time.

3 A By then, trapping and
4 fishing and other ways of making a living wasn't
5 feasible enough to live by. After Pine Point had
6 started and the road constructed to Fort Smith, our
7 trapping became less and less. My father was able to
8 support us in the '50's, but in the '60's we were
9 hard-pressed to maintain our traditional ways.

10 When you go over to the
11 Indian village on Friday I hope you will look at what
12 is left of the ways of my people, and then look again
13 across the river at the N.T.C.L. loading the oil tanks
14 and the development there and you will see the
15 problems of the native people in the Northwest
16 Territories and what will happen to their ways of life.

17 Hay River is a prime example
18 of the north. It has a 17-storey high-rise with the
19 Indian village within a five-mile radius. What kind
20 of guarantees will the construction and gas companies
21 give to modify the problems of drinking and of
22 disorientation that the native people and white people
23 will encounter with this huge development?

24 That's all I have to say.

25 THE COMMISSIONER: Thank you
26 very much. I wonder if you would mind just handing
27 your written statement into the Secretary of the
28 Inquiry and we'll mark it as an exhibit.

29 (STATEMENT OF RAY FABIEN MARKED EXHIBIT C-11)

30 Thank you very much, sir.

1 (WITNESS ASIDE)
2 THE COMMISSIONER: Well, I
3 am getting in the mood to adjourn until eight o'clock
4 tonight, but I will certainly stay here for the rest of
5 the afternoon if there is anyone else who wishes to
6 say anything at this time. I found everything that
7 each of you has said most interesting and helpful, and
8 if anyone else wants to say anything now, they're
9 certainly welcome. Yes, sir?
10 MR. NEUFELD: I'd just like
11 to add one short statement to speak to Mr. Tetrault's
12 presentation.
13 RUDY NEUFELD resumed:
14 THE WITNESS: Regarding
15 property available in Hay River, it is true that there
16 is property available in Hay River. However, it's also
17 well known that in the last four years N . T . C . L.
18 has bought up large quantities of properties and are
19 presently applying for in the neighborhood of three to
20 400 acres across the river in the reservation; and if
21 all that's required for the pipeline is 300 acres, and
22 Northern Transportation Company Limited were to obtain
23 this three to 400 acres in the reservation, they would-
24 successfully block out any other private enterprise
25 that would be concerned about the pipeline.
26 THE COMMISSIONER: You say
27 that N.T.C.L. is applying for -- right now they're
28 applying for 300 acres in the Indian Reserve. That
29 would be on the waterfront, I take it?
30 A On the waterfront and

1 | back from the waterfront.

2 | Q Yes.

3 | A And if all that is
4 | require is 300 acres, as was stated, then certainly
5 | N.T.C.L. would successfully lock out anybody else that
6 | was interested in any other private industry that was
7 | connected with the building of the pipeline,

8 | THE COMMISSIONER: I see
9 | what you mean.

10 | (WITNESS ASIDE)

11 | THE COMMISSIONER: Yes, Mr.
12 | Tetrault?

14 | DONALD TETRAULT resumed:

15 | THE WITNESS: To add to
16 | that, sir, I'd like to point out that utilization of
17 | the waterfront property in Hay River may appear in
18 | first light to be a monopoly of two or three companies.
19 | But I think it should also be borne in mind that no
20 | transportation company in its right mind operating
21 | anywhere in Canada, be it Halifax or Vancouver, has
22 | unlimited access to waterfront or shore or docking
23 | facilities as they so wish.

24 | Now, Vancouver is a good
25 | example where a transportation industry or tugboat
26 | operation starts up in Vancouver. He doesn't have
27 | access to an unlimited amount of waterfront. He goes
28 | to the people who already have the waterfront and he
29 | pays the dues with respect to moving his freight across
30 | that dock or tying up to the face of it, whether the

1 harbor is owned by individuals or whether it's owned
2 by the National Harbours Board, you pay the dues for
3 moving your freight across that dock.

4 Now there are two ways of paying
5 the dues. You can go ahead and buy up all the waterfront you
6 want, it's still going to cost you money. You have to build
7 the dock, you have to provide warehouses, Now I, a small
8 operator, and two or three others do not have that kind of
9 capital for that outlay. So naturally we have to use
10 facilities that are already in existence. So we have to pay
11 our dues to Northern Transportation or Kaps or Arctic
12 Navigation, or if it's in Fort Simpson, Keen Industries, In
13 other words, there are only so much facilities and no
14 transportation company or not everybody that comes into the
15 north can expect to have unlimited waterfront, particularly
16 if it's given to them or built by other people such as
17 government, on a municipal or Territorial level.

18 We've had quite a hue and cry
19 in Hay River from the transportation companies saying
20 that there are no waterfront facilities, The Northern
21 Transportation facilities alone have the capability of
22 moving 10,000 tons of freight every 24 hours. Kaps
23 Transport can add to that, and I can't give you exact
24 figures but it's obviously got to be in the three and
25 4,000 tons per day.

26 As a small operator I don't
27 have access to the waterfront but I pay my dues either
28 to the government, the Federal Government for
29 utilization of their dock, or I pay my dues to Kaps or
30 N.T.C.L. for utilization of their facilities.

1 Q In Vancouver it's the
2 Harbours Board or the C.P.R.

3 A But you're still paying
4 for it.

5 THE COMMISSIONER: Oh yes.
6 (WITNESS ASIDE)

7 THE COMMISSIONER: Yes sir?

8 MR. MONROE: I was just
9 making notes as we went along here.

10 THE COMMISSIONER: Sorry,
11 come forward, sir, if you like, and just take a seat
12 up here where we can hear you.

13
14 STUART MONROE sworn:

15 THE WITNESS: My name is Stuart
16 Monroe, and I also am a short-time resident in the
17 Territories. I moved out from Ontario last October and one of
18 the points that came to mind in the discussion at the meeting,
19 what proximity would the pipeline have to be to a village
20 before the gas company will consider building that line? My
21 reason is, this, that in Northern Ontario the pipeline went
22 through there, passing towns of approximately or villages of
23 approximately 1,800 people and they did not have access to
24 this pipeline or the benefit from it, and they still haven't.

25 THE COMMISSIONER: How far
26 were those towns from the pipeline?

27 A Approximately 45 miles.

28 Q You're talking about the
29 Trans-Canada Gas Pipeline?

30 A Right. Where it was

1 | convenient, the gas was supplied; where it's not
2 | convenient to the gas company, it isn't supplied.
3 | Therefore I think this is the time for the people of
4 | the Territories to get some commitment from the gas
5 | company to provide such a service to these towns,
6 | within reason.

7 | One of the good comments I'd
8 | like to make about it is the area that it cuts through
9 | the bush. I know there's been a considerable study
10 | done on this, and the environment people are very much
11 | concerned about it; but my observations in Northern
12 | Ontario is that it provides good access for the trapper
13 | that do trap and the snowmobiles to get around. It
14 | also provides a good green belt for the moose to get
15 | rid of or get away from the flies. Other than that I
16 | can't see any harm it's done in Ontario, which has an
17 | environment somewhat similar to this. They have the 40
18 | and 50 below temperatures and the vegetation is
19 | somewhat similar; but they don't have the permafrost.

20 | Another comment, I work with
21 | Canadian National Telecommunications, and this is one of the
22 | things that will continue to employ people after the pipeline
23 | is constructed. There has to be surveillance over the flow of
24 | gas and remote controls for certain facilities. I'm wondering
25 | -- and if I can direct this to you -- what provision or what
26 | plans, and I'm only asking this as an individual, not for the
27 | company, what plans do the companies have of the two that
28 | spoke this afternoon, what plans do they have for liaison of
29 | the gas flow and metering facilities? Do they plan to put
30 | in their own facilities, or do they plan to utilize the

1 present microwave system which we have part way -- and when I
2 say "we", the company will have completed by late fall right
3 through to Inuvik and that general
4 area?

5 Another comment, this will also
6 provide work and employment for the same telecommunications
7 through telephone facilities because they will have to
8 increase their facilities on a mobile basis, which I would
9 imagine the companies will utilize.

10 That's all I have to say.

11 THE COMMISSIONER: Thank
12 you, sir. Oh, just stay there a moment and maybe we
13 can get an answer to the last question you asked.

14 MR. CARTER: There was evidence
15 given at Yellowknife, as I recall, Mr. Commissioner, with Mr.
16 McMullin, and he stated that no decision had been made but
17 they considered the various possibilities and one of these was
18 using the existing system, and the other was for the pipeline
19 company to build their own; and he went into some detail in
20 discussing how they would tie into the Anik satellite system
21 to use, I believe, both in construction and in operation of
22 the pipeline to monitor the compressor stations.

23 THE COMMISSIONER: I wonder if you
24 would, Mr. Carter, if you would obtain the volume containing
25 the evidence of Mr. McMullin and photostat it and send it
26 along to this gentleman, and he can send his comments in in
27 writing to the Inquiry at Yellowknife? Would you mind doing
28 that? It's a subject
29 on which this gentleman obviously knows a good deal and I
30 must say Mr. McMullin's evidence I can't clearly recollect

1 | all that he said at this stage.

2 | MR. CARTER; I'll see if I can
3 | get the slides that he presented at the same time as
4 | they kind of tied in, as I recall, with the evidence.

5 | A Sir, if I may ask
6 | another question. You made a comment about utilization
7 | of the satellite. As you know, satellites are quite
8 | costly to launch, if they can get them up there, and
9 | there's a big one failed the other day in United States
10 | to the tune of \$50 million just for the satellite, not
11 | to mention the carrier. The common carriers are
12 | licenced to handle telecommunications in the area.
13 | Since they have to have a liaison and a monitor for
14 | the flow of such gases, I wonder if they have any plans
15 | to have such an existing monitor in the Territories or
16 | will it only be done at some point, say in Alberta?

17 | MR. CARTER: I think I'll
18 | have to get that evidence.

19 | THE COMMISSIONER: That's a
20 | good question and the trouble is we couldn't say to
21 | Arctic Gas, "Bring everybody on your staff here today,"
22 | and these gentlemen, though they are wise and learned,
23 | they apparently don't know anything about this subject
24 | and that's why I said they should get that transcript
25 | and send it to you, and then you could send your
26 | comments in writing to the Inquiry at Yellowknife,
27 | because I'd like to hear from you again.

28 | Maybe after we adjourn you might
29 | talk to this gentleman and try to fill him in. Anything else?

30 | A Yes, the gentleman who

1 | was enlightening us on the route to the south, who
2 | dealt mainly with the engineering aspect of the
3 | pipeline commented several times about not knowing the
4 | policies of his company as to hiring and employment and
5 | so on. Since this is a hearing, I wonder why someone
6 | isn't here from Northern Gas to enlighten the people on
7 | these policies?

8 | Q Sorry, Northern Gas?

9 | A Or Arctic Gas, pardon me.

10 | Q Well, the purpose of the
11 | hearing today really is to listen to what you people
12 | have to say and we are listening to Arctic Gas in
13 | Yellowknife, and listening to all the other major
14 | participants; later in the year we'll be listening to
15 | the Chamber of Commerce and the Association of
16 | municipalities Some of the problems Arctic Gas has
17 | appear to be that they haven't decided themselves how
18 | they are going to tackle some of these areas, and in
19 | others they -- we don't have the right person here.
20 | Now, if you want to blame somebody, you can blame me
21 | because maybe I should have said to them, you know,
22 | "Bring 20 people instead of just four or five." But I
23 | confess that I didn't anticipate your question and
24 | obviously they didn't either. But we'll struggle with
25 | that and do the best we can -- or at least they will
26 | struggle with it and I'll see they do the best they
27 | can.

28 | A Thank you.

29 | (WITNESS ASIDE)

30 | THE COMMISSIONER: Yes, Mr.

1 Stewart?

2 DON STEWART resumed:

3 THE WITNESS: Mr. Commissioner, I've
4 been asked on behalf of the fishermen of Hay River and the
5 Freshwater Fish Marketing Corporation to bring up a problem
6 that will face this particular industry.

7 We've had an indication that
8 for the most part most small business people with the
9 advent of the pipeline would in some way partake in the
10 slice of pie that will be divided up. Their
11 businesses will be directly affected by increased
12 volume of business.

13 However, we have a situation
14 with the fishermen where they have a capitalization of
15 some 20 to \$30,000 that they're paying for at the
16 present time, and with the advent of a pipeline they
17 would not be in a competitive position to be able to
18 pay wages to maintain the fishing fleet. Now this
19 would be no major problem if there were work enough for
20 the 20 or 30 boats that are actively engaged in
21 commercial fishing on the lake. However, if this is
22 not the case, then this industry could be in bad
23 straits.

24 There is also a fish plant
25 that is capitalized at about \$300,000, that is a direct
26 charge against the men in the fishing fleets that will
27 have to be paid for. But there is no way that the
28 pipeline is going to increase the price of their fish,
29 at least I can't visibly see that this would be a
30 proper approach at this time anyway, as their main

1 | Commissioner?

2 | (WITNESS ASIDE)

3 | THE COMMISSIONER : Yes, Mr.
4 | Hollingworth?

5 | MR. HOLLINGWORTH: Mr.

6 | Monroe in his enquiry to you asked what the plans of
7 | both companies were with respect to telecommunications,
8 | and gas monitoring, and only Arctic Gas' response was
9 | solicited on that.

10 | THE COMMISSIONER: No, I was
11 | going to elicit yours, but Mr. Stewart came forward and
12 | I hadn't forgotten you.

13 | MR. HOLLINGWORTH: I'm glad
14 | of that. In answer to Mr. Monroe's enquiry, sir,
15 | Foothills would plan to utilize Canadian National
16 | Telecommunications microwave and satellite facilities.
17 | I assume that they don't own their satellite but they
18 | rent space on it; but in any event, Foothills would
19 | plan to utilize both those facilities exclusively and
20 | not have its own communications system. To that end
21 | firm discussions -- well, more than discussions -firm
22 | commitments have been made in discussions with Canadian
23 | National Telecommunications; and the second enquiry was
24 | with respect to gas monitoring and where the as Control
25 | Centre would be, and in the case of Foothills, this
26 | would be located in the City of Yellowknife.

27 | THE COMMISSIONER: All right,
28 | thank you. I think that this is a good time to adjourn and
29 | we will reconvene here, we'll come back here at eight o'clock
30 | this evening, and you're all welcome to come back then, and

1 | if you want to say something else then that you didn't say
2 | this afternoon, you certainly may do so.

3 |

4 | (PROCEEDINGS ADJOURNED AT 5 P.M.)

5 | (PROCEEDINGS RESUMED AT 8 P.M.)

6 |

7 | THE COMMISSIONER: Ladies and
8 | gentlemen, I'll call our meeting to order this evening.
9 | We began this afternoon hearing from people here in Hay
10 | River about the impact that they felt the proposed
11 | pipeline in all of its ramifications would have on Hay
12 | River and the area here, and we're just carrying on
13 | this evening and I'll be happy to hear from any one of
14 | you who wishes to say anything, and let me repeat what
15 | I said this afternoon. I am happy to hear from any one
16 | of you. You don't have to have a prepared brief it
17 | doesn't have to be in writing. You can just speak
18 | about any issue connected with this whole pipeline
19 | project that concerns you, and you're certainly welcome
20 | to stand up to speak, or to remain seated, whatever you
21 | feel is most comfortable for you.

21 |

22 | So we'll carry on then, and
23 | I'll be happy to hear now from any one of you who wants
24 | to express your views.

24 |

STAN LANTZ sworn:

25 |

26 | THE WITNESS: My name is Stan
27 | Lantz, and I'm a member and spokesman for the Hay River New
28 | Democrats. Mr. Justice Berger, I'd like to speak to you in
29 | regard to the pipeline development and its effect on the
30 | people at Hay River and the Northwest Territories generally.

30 |

Many of us look forward to the

1 development of a pipeline within our borders, with mixed
2 emotions. The people of the N.W.T. are in the unique
3 position in Canada of having virtually no say in many of
4 the decisions which affect our economic and social life,
5 by virtue of the fact the Federal Government sees fit to
6 deny our people their democratic right to govern
7 ourselves and to decide our own economic future.

8 By retaining fiscal authority
9 and control of our resources and legislative powers of
10 the N.W.T. in the hands of Ottawa and their appointee,
11 the Commissioner of the Northwest Territories, we as
12 northern Canadians are denied the rights of citizenship
13 which other Canadians take for granted.

14 We in the Northwest and Yukon
15 Territories are the only people on the continent living
16 under a colonial system, and this under a government
17 which supposedly bases its political philosophy on
18 something called "the just society".

19 The history of development of
20 resources in Northern Canada and Northwest Territories is one
21 of exploitation, with the developers coming in to remove our
22 resources as quickly as possible at the lowest possible cost
23 to developers, and serious social and economic disruptions
24 are left in their wake for the people who remain. Any
25 development taking place in
26 the Northwest Territories should be done under the control of
27 our elected representatives and not Ottawa and exploiting
28 companies. The people of Hay River and other communities
29 must, as a priority, benefit over the short and long-term of
30 this development, or we don't want it.

1 To repeat the past mistakes
2 caused by large extractive schemes would be
3 irresponsible. Under the present system of government
4 it is a clear-cut responsibility of the Federal
5 Government and the Territorial Administration to be
6 fully active on behalf of the people, and the
7 municipalities of the N.W.T. to set up proper
8 guidelines and have funds allocated to communities.
9 This would help to ensure that communities are capable
10 of handling the inevitable disruptions to their social
11 and economic fabric.

12 So far the input by the
13 Federal and Territorial Administration is a deafening
14 silence, and this at a time when a decision to
15 construct a pipe-line may be only a year away. There
16 are certain advantages to Hay River over the period of
17 pipeline construction. Our harbour will improve. Our
18 service industries will improve. Possible fabricating
19 plants will be built. Local businesses will be swamped
20 with orders. Hotels will be booked to capacity.
21 Employment opportunities will increase, and wages will
22 rise. Obviously businesses will be unable to cop with
23 the demand. As well they will be unable to obtain
24 sufficient capital to expand rapidly enough to meet the
25 demand. This will result in other enterprisers to come
26 and take advantage of the boom.

27 The question is, will this be
28 a healthy social and economic environment for our town?
29 We can use previous examples such as the Alaska
30 Pipeline situation which indicates that the effects on

1 support, the impact will be devastating to its residents. But
2 what happens after the big boom? Following construction of a
3 pipeline, construction workers and the fast buck artists leave
4 Hay River and the north. What will remain? Studies have
5 shown that there will be an immediate collapse in many
6 businesses, resulting in massive unemployment and the social
7 impact will be felt by our residents. Hay River will go
8 through a very difficult period to maintain services demanded
9 during the pipeline construction, and it will take time for
10 the economy to once again stabilize itself.

11 From the above examples we
12 see that few permanent residents will benefit over the
13 short and long-term unless the Territorial
14 Administration and Federal Government begin immediately
15 to plan and implement suitable programs to assist our
16 people during this difficult period.

17 It is the Territorial and national
18 democratic policy that fair settlement of native land claims
19 be made prior to any pipeline development. There are many
20 people in Canada and the Northwest Territories who disagree
21 with this attitude. What must be understood is the fact that
22 settlement of these land claims will mean all northerners
23 benefit. The native people would then have an economic base
24 to work from and develop their own cultural and economic
25 futures.

26 Land would be set aside for future generations, and northern
27 businesses would have an opportunity to deal with its own
28 northerners as equals.

29 When we have people who live
30 under different rules of reference and coming under

1 separate programs, this promotes division in our
2 society which is unhealthy and costly both socially and
3 economically.

4 The flow of energy from the
5 Northwest Territories to United States and Canadian
6 markets will produce many jobs for Southern Canadians
7 and Americans, and provide profits to the
8 southernbased companies. But what about the cost of
9 energy in our Territories? One company, Gas Arctic,
10 doesn't want to provide gas services to communities.
11 Foothills will at what they call competitive rates,
12 that is it won't cost any more than we pay now.

13 Unless we receive royalty
14 benefits for every cubic foot of gas and every gallon
15 of oil leaving the Northwest Territories, we will be
16 robbed of our. natural rights.

17 In conclusion, I would like
18 to say that unless we are able to provide ourselves
19 with a reasonably priced energy resource to create
20 secondary industry in the north, and royalty benefits
21 to underwrite our high cost of living and services, the
22 people of the Northwest Territories will remain in
23 economic bondage to the Federal Government and the
24 large extracting companies.

25 We are discussing the future
26 of our people and our people must have political and
27 economic self- determination. The resources of this
28 land must be used and developed carefully to ensure
29 that a viable economic and socially acceptable society
30 within our borders results.

1 | Finally I would just like to
2 | mention that the above is the overall feeling of the
3 | Hay River New Democratic membership, and in a week or
4 | so we will be meeting in Yellowknife for our Annual
5 | Convention, and at that time further representation
6 | will be made to this hearing. Thank you.

7 | THE COMMISSIONER: Thank you
8 | you very much, sir.

9 | (WITNESS ASIDE)

10 | THE COMMISSIONER: I wonder,
11 | Mr. Waddell, if there are any more chairs that could be
12 | brought in? Now that chairs are in place, is there
13 | anyone else who wants to take his turn can come right
14 | ahead. Yes sir?

15 |
16 | STAN DEAN, sworn:

17 | THE WITNESS: My name is Stan Dean.
18 | I'm a local contractor and I have been in the Northwest
19 | Territories for some 40 years. A great deal of that time has
20 | been spent in the contracting business, and I would like to
21 | present the problems that the small contractor in the
22 | Northwest Territories faces in regards to the development of
23 | a pipeline. I don't have a prepared brief but I think in the
24 | past I've done
25 | considerable talking about the various problems that
26 | contractors have, and the various trucking companies. We
27 | have a fleet of trucks so we're involved in trucking. We
28 | have a fair amount of construction equipment and our range of
29 | operations is fairly wide, and yet we are still a small
30 | company.

1 Perhaps there is two reasons
2 for the company being small.
3 1. Is that the Federal Government leads off by demanding on
4 every contract that they write up that suitable bonding be
5 placed on the contract to guarantee that the government
6 contracts will be carried out. I don't argue with this
7 program. I think that a company taking a contract should be
8 able to guarantee that its work will be done on schedule
9 and to the degree of quality that the contract calls for.
10 However, we've had in the past, Mr. Chretien said it sev-
11 eral times, I think the first person I heard say it was the
12 Director of Education for the Northwest Territorial Govern-
13 ment, they said that "All work, contracts and so on and so
14 forth, in the Northwest Territories has been paid for by
15 the people of Southern Canada, therefore the contracts
16 must be open to all the contractors in Canada." This is
17 the thinking behind these statements.
18 I would presume to say that
19 under the present circumstances the contracts are
20 available to all contractors in Canada, except in the
21 Northwest Territories because I've fought the battle to
22 get bonding for quite a number of years. I think
23 sometime ago, well last month, I was successful for the
24 first time to get commercial bonding on a contract,
25 which I bid, and came out third best, so I don't know
26 whether you would get bonding again on the next
27 contract, but we can assume that we passed that hurdle.
28 But the biggest thing that a
29 contractor faces, the biggest problem that he faces in
30 getting bonding is to have current assets exceed

1 | current liabilities. There are several things in this
2 | program that are fairly difficult for a northern
3 | contractor to come up with this situation. In the first
4 | place, most -- if he has one type of machinery, it's
5 | only good for one season of the year. If you're
6 | digging sewer and water services, or putting in sewer
7 | and water, the only time you can really do that is in
8 | the summertime. You very seldom get a job that you can
9 | carry out in the wintertime, and so that type of
10 | equipment, trenching equipment, is primarily summertime
11 | operation. If you have trucks and you're hauling
12 | gravel, about the only time you can handle a quantity
13 | of gravel is in the summertime. The Northwest
14 | Territories Government and the Yukon Government have
15 | written into their ordinances a proviso that says that
16 | if a person cannot come up with acceptable bonding, he
17 | may put a 10% bid bond down, and in lieu of a
18 | performance bond he may put an additional 10% and that
19 | would serve the purpose of bonding. However, if you
20 | look at a contract that's worth \$100,000 you're
21 | expected then to put \$20,000 up before you can complete
22 | the contract, and there's no proof, no way that the
23 | government will assist small businesses along this
24 | line.

25 | My argument for the last number of
26 | years has been that the Department of Industry & Development,
27 | who have people all through the country, should be able, where
28 | a degree of responsibility is shown, they should be able to
29 | make loans available to these people to write bonding, or else
30 | they should be able to make arrangements with certified

1 bonding companies and more or less stand behind the Northwest
2 Territories contractor. This is a very important thing for
3 the contractors of the Northwest Territories. In Hay River
4 we have quite a number of contractors that's been here 15,
5 20, 25 years. They're not fly-by-night grab-the quick-buck
6 people; they've come into Hay River and they've raised their
7 families here. A lot of their families have been born here,
8 so they're qualified residents of the Northwest Territories
9 and I think that it's very important that when a local
10 contractor goes out in the field he probably has his own sons,
11 he probably has his wife or his daughter doing his books.
12 They haven't got a great deal of money at their disposal Most
13 of the local contractors hire local labor. They hire the
14 graduates of your Northern Training Programs, I could go
15 through a number of companies that I know of personally that
16 all their employees are northerners. They may not be native
17 northerners; but I think this is a factor that comes out very
18 seldom in public debate on the future of the Northwest
19 Territories and development of the Northwest Territories.

20 In the Northwest Territories we
21 have Indian, Eskimo and Metis organizations. We also have in
22 the Northwest Territories a great number of government
23 employees which very seldom are long-term residents. We also
24 have a group of people like myself, and like a number of my
25 friends, who, as I said before, brought their family up here
26 in the north. Maybe some of their families are married to
27 families -- have married into families from Yellowknife; they
28 maybe married into Metis families; they maybe married into
29 native families, but they're still white northerners.
30 I don't like to bring in color discrimination or anything,

1 | but as a white northern contractor, we have a great deal of
2 | discrimination directed at us by the various government-
3 | departments, and we like to bring this to your attention
4 | because if the pipeline goes ahead, and I think it will, we
5 | could look for our company to expand, and if we expand we
6 | will be expanding our staff. Our staff now is only small, it
7 | varies from 15 to 30 people but they're all northerners; and
8 | when we expand, if we can expand we will be expanding our
9 | staff to northerners and we need to, in doing this, help
10 | quite a few people actually. We help ourselves in the first
11 | place, but a native northerner living here has his own living
12 | accommodation. He has his own home, his own form of
13 | entertainment, and he has a place close to the job to go and
14 | relax. So we're helping ourselves by - we pride ourselves
15 | on saying that we pay the equivalent wages to what the
16 | government pays and what the other big companies pay in
17 | various forms, there might be a few cents one way or the
18 | other but we like to remain abreast of current wages, and I
19 | think that we do, so in hiring local people we're giving them
20 | also a good
21 | rate because they hire on with a company that under- stands
22 | their problems and we also have a tendency to want to improve
23 | their skill in handling machinery. I have two or three
24 | fellows that work with me that are good operators. They can
25 | handle any type of machinery you can put in the field. So I
26 | say that what local people need is an opportunity to show
27 | their skills and do it at a current good wage, and we have
28 | seen in the last few years here a number of make-work
29 | programs like "Hire North" and "Work Arctic" and so on and so
30 | forth. We have a Heavy Duty Equipment Operators Training

1 School in the Northwest Territories. They have all done a
2 certain amount of good but they haven't provided the graduate
3 from these things with a job. This is what you're looking at
4 in the future. If we're going to have stabilization in the
5 Northwest Territories, people of the Northwest Territories
6 have to have jobs that's going to go to work on Monday
7 morning and work till Saturday, and they will be able to
8 know that they can do it in the summer, in the winter, and
9 so on and so forth.

10 If we have native people
11 working for us and they wish to go trapping in the
12 wintertime, we're only too glad to make arrangements
13 with them to be replaced, if they are needed, let them
14 go out on the line, let them go where they're working
15 to, whether they want to go to work and take them back
16 again in the spring. This provides them with
17 continuity and continuity is -- the lack of continuity
18 is the main cause of unrest in the Northwest
19 Territories.

20 To get back to my original
21 argument, when you can't get bonding for a job, the big
22 companies come in from Edmonton, from Regina, from
23 Montreal, from Toronto; they have contracts to put up 150
24 houses, they have a contract to build a high-rise, they
25 have a contract to build all these things. They bring in
26 with them their working staff, and the only people that
27 they hire locally is what they hire on a temporary basis,
28 but if it was a Northwest Territories company building
29 these houses, they would be employing a staff of northern
30 people the year-around. I think that this is very

1 | important.

2 | When we've heard presentations made
3 | in regards to pipeline and they tell you how many people are
4 | going to be employed, I think one figure I heard was 8,000
5 | people spread out in six or eight camps or something like
6 | that. It's also been bandied about that these camps will be
7 | located away from major centres, so that the people from these
8 | camps don't get into the local towns and cause disturbances
9 | and so on and so forth. It may be a good feature, but then it
10 | would be nice if, as they went by Hay River, and those camps
11 | maybe have 50 or 100 people employed from Hay River and those
12 | 100 people when their time off comes they go back to Hay River
13 | and say, "Hello" to their families and have a few dollars in
14 | their pockets to do it with. I think that my predecessor here
15 | mentioned Indian land claims and so on and so forth. I think
16 | that Indian land claims must be settled but I don't see that
17 | rushing into a settlement with the Indian land claim people,
18 | using a pipeline as a lever, is logical. I don't think it is
19 | logical. It's -- I think the Federal Government in a lot of
20 | ways has provided quite a lot of money for studies to be made,
21 | both of the pipeline and of Indian land claims, made by
22 | knowledgeable people at the request of the native
23 | organizations, and I think that in time the native
24 | organizations will come up with a land settlement program that
25 | will be acceptable to the Federal Government, and I think with
26 | a certain amount of give and take, this settlement can be
27 | reached. But when they made the treaties a long time ago, the
28 | Indians had no input into those treaties. There was a bunch
29 | of R.C.M.P. people from Ottawa or wherever they came from with
30 | a big hat on, and they came in and made their treaties. All

1 up of financing local businesses. Actually this goes as far
2 as municipalities and so on and so forth because there's a big
3 surge of development in the Northwest Territories, and we're
4 going to take part in it, we're going to find that not only
5 small companies but big companies are going to invest a lot of
6 money. One piece of equipment can cost you \$500,000 to be
7 satisfactory for this type of development, and in three years'
8 time that piece of equipment is no longer has any use unless
9 they keep building pipelines.

10 So I think that probably if this
11 development goes ahead, that either the Federal or the
12 Territorial Government should be persuaded to make money
13 available on a local incentive basis so that if a company
14 goes into this mass development and finds themselves with
15 equipment that he can't use, then
16 possibly the finance payments could be taken care of or the
17 machinery could be turned back in, or so that the person,
18 the company having this machinery don't get too badly hurt.

19 I think my predecessor was
20 talking about the high cost of providing living
21 accommodation and sewer and water and roads and so on and
22 so forth, and I believe that this is of necessity going to
23 be a responsibility of the people that build the pipeline,
24 that they're going to have to come in and where
25 development is absolutely essential, I believe that
26 they're going to have to make some money available to
27 take care of the loss to the local communities and to the
28 local contractors. However, this has a tendency to be a
29 dream world because it's pretty well recognized that most
30 of the money that goes into this pipeline will come from

1 the States, and it will probably be American companies
2 that are the prime contractors in most cases, and I think
3 that this is wrong. I think that unless we can make our
4 imprint on northern business and build up a number of
5 businesses so that as the future goes along we can point a
6 company at Aklavik or a company at Inuvik or Yellowknife
7 or Hay River or Fort Smith or some place like that and
8 say, "This company is large enough to carry out these
9 projects," and go to them and make contracts with them.
10 This is what building the north means, it means building
11 the people up in the north.

12 I think that is all I have to say
13 on this subject, and I wish to thank the people
14 that made this meeting possible so that we have a chance to
15 say what we are thinking, and if I've talked too long bored
16 people, well I'm sorry, but I'm trying to say what I've been
17 saying for quite a few years now to various government and
18 Inquiries and so on and so forth and I hope that we have some
19 impact on the program.

20 Thank you.

21 THE COMMISSIONER: Thank
22 you, Mr. Dean. Well, just before you go, you said your
23 business was trucking. You have a trucking business.

24 A We have both trucking
25 and general construction, sewer and water and so on and
26 so forth. Our biggest portion of our business is in
27 construction, in land-moving construction, like
28 hauling gravel and trenching, landscaping and so on and
29 so forth, and occasionally we get into road-building,
30 but in the Northwest Territories the government seems

1 | to have a franchise on road-building so it doesn't
2 | allow much for expansion along those lines by local
3 | contractors. I think in hay River we have three or
4 | four -- we have about six companies in Hay River that
5 | are engaged in the same type of operation as I am.
6 | They may not be into sewer and water, but they might be
7 | into something else. They might be into crane work or
8 | something like that, so there is a good potential in
9 | Hay River amongst local contractors.

10 | Q You mentioned the Vocational
11 | School in Fort Smith. I understand they train northerners to
12 | be, among other things, heavy equipment operators at that
13 | school, or institute -- I've forgotten the name of it -- but
14 | I'm sure you know the one I mean. Have you had the
15 | opportunity of taking on any of those people from that school
16 | on your staff -- I mean young people from Hay River who have
17 | gone down there presumably to learn to operate that
18 | equipment?

19 | A Yes, actually we've
20 | employed at different times three or four of these graduates
21 | of this school. I think that the biggest problem we have
22 | with this type of people is that they are given a theory
23 | course, they've been showed how this equipment operates, but
24 | they haven't got the training in the field. I think they
25 | made an effort to -like they built the road to the Indian
26 | Village across the river there in order to train some of
27 | these people, but the training, to my opinion, is
28 | inadequate. I think that training is one thing, but if you -
29 | - well, we used to say if you took a person out of school
30 | and he comes and tells you he's taken a course on how to run

1 a caterpillar tractor, well, just stay right away from him
2 because what counts is experience whether he can operate
3 that machine or not. There's quite a bit of difference
4 between theory and practical operations. This is a clear
5 picture of what I've been talking about, though, with these
6 people coming from the heavy duty operator course should be
7 able to find jobs in their home towns with people that
8 understand and are prepared to gamble and train them
9 further. The problem is that most of these people, there's
10 no contractor firms in the smaller towns because as I said
11 before, if the government gives out a contract they
12 give it out to somebody in Southern Canada. If they're
13 going to build a school they got a contractor from Southern
14 Canada in their building; if they're going to build 50
15 houses in a settlement, nobody at a local level can take
16 contracts for these things. It's not a question of not
17 having the ability or people to do it, it's just that people
18 cannot invest all their money in having a construction firm
19 in a place like Fort Simpson for instance, with no guarantee
20 that they're going to have year-around work. If you have
21 the year-around work well you can hire trainees from any one
22 of the courses that they take in the heavy duty operator
23 courses, it is a reasonably good one but with the education
24 system in the Northwest Territories people are sent out for
25 mechanical training, electrical engineers, or to get their
26 plumbing ticket and so on and so forth; but unless they
27 apprentice themselves to that trade in Edmonton or Calgary
28 or wherever they go for their course, they come back with
29 just a little bit more knowledge than they had when they
30 went out but they are in no shape to go ahead and take a

1 | plumbing job and carry it out because they don't have the
2 | experience, and I think a number of times in the last year
3 | the Commissioner has complained bitterly that they have a
4 | hard time to fill their technical staff in the Northwest
5 | Territories. This always amazes me because they don't hire
6 | the graduates of the heavy duty operators' course in the
7 | Highway Maintenance out on the road, they bring all their
8 | operators in from Alberta. Anybody that gets a job out here
9 | at Enterprise
10 | might get a six-months labor job but he won't get a job
11 | operating equipment, even if he's hired on as a heavy duty
12 | equipment mechanic he could live and die there without
13 | becoming shop foreman because they won't recognize him, they
14 | won't advance people from -- and this is what we all, what
15 | is the basis of a lot of our complaints. We have people in
16 | any trade, the policy of the Territorial school system is
17 | real good. It doesn't cost a person hardly anything to go
18 | out and get a university education. They just have to
19 | devote their time and pass their exams, and the government
20 | will see that their expenses are paid for. But when they
21 | come out of that university they won't see that they get a
22 | job. Every -- the number of people that are employed in
23 | either the federal or territorial in the Northwest
24 | Territories.

25 | The percentage of people that
26 | come from the Northwest Territories is negligible and I
27 | think this is a shame. I think that as has been said
28 | often in the past few years, there should be native
29 | people in welfare, there should be native people in
30 | every field that the government may employ. So I think

1 | the general contention is that if you don't have a
2 | university education you're going to make a mistake and
3 | the government can't explain this away. But the number
4 | of mistakes that are made by ignorant government
5 | employees from the south, I don't say they're ignorant
6 | from an educational standpoint of view, but they come
7 | into an entirely different area with entirely different
8 | problems, with entirely different construction
9 | problems. They don't know what they're talking about
10 | and they won't listen to the people that are in the
11 | country and know what they're talking about because
12 | they've been dealing with it, and they think that if
13 | we're talking about the pipeline, that's one thing; if
14 | we're talking about development of the Northwest
15 | Territories, development of people in the Northwest
16 | Territories we have to start talking about the
17 | government employing some of the people from the
18 | Northwest Territories themselves, some of the graduates
19 | of their own courses.

20 | THE COMMISSIONER: Well,
21 | thank you very much, Mr. Dean.

22 | (WITNESS ASIDE)

23 | THE COMMISSIONER: You're
24 | next after this gentleman, sir.

25 |

26 | STUART DEMELT resumed:

27 | THE WITNESS: My name is
28 | Stuart Demelt. I was up here this afternoon for a
29 | little while.

30 | THE COMMISSIONER: I

1 | remember you well, sir.

2 | A And to go on further onto
3 | this subject, I have heard a lot of testimony so far from
4 | listening to the radio on this Inquiry about all the harm
5 | that's going to be done to the environment, to the trapping,
6 | and all this, and as an old trapper up here for a lot of
7 | years and then after that I worked around the mines, trading
8 | into the mines, it's a known fact that the fur and the game
9 | animals
10 | concentrate around mines, mines like Discovery and Raerock
11 | and Tundra, and places like this out of Yellowknife where
12 | foxes and the moose and caribou and everything just seem to
13 | hang around these mines and the best trapping there was
14 | around them.

15 | We put the bush roads into
16 | Bear Lake and into Tundra and all the trappers were
17 | going up and down these roads, and they wouldn't go out
18 | into the bush until we did open these roads up. So
19 | from that aspect, development of the north is going to
20 | do more good than harm.

21 | They talk about the damage that the
22 | cats are going to do to the environment. There's roads
23 | around Yellowknife that I hauled wood over and freight with
24 | cats 20 years ago that you can't see where those roads are
25 | today. They're grown over, and I would show those to anybody
26 | who would be interested.

27 | As far as northern, using
28 | northern labor, like I said before most of the Indians up
29 | here are real good. They want to work, they want to prove
30 | they can hold their own. I was foreman in Yellowknife for

1 | nine years and I had over half native crew at all times,
2 | and then I was instructor at "Hire North" on that heavy
3 | equipment program and we trained native operators there in
4 | a short time that were real good, they caught on real fast
5 | and were real good workers. There are a few that are
6 | against this and say that they can't compete with white
7 | men just don't know what they're talking about, in my
8 | opinion, and like I say, I've had about 12 years'
9 | experience with
10 | it now. They're easy to train and they're really
11 | interested in doing a good job. So I think that aspect of
12 | it doesn't hold much water.

13 | A lot of these cases where
14 | they're hollering about the damage that's done to their
15 | traplines and the country, it's usually done by people
16 | that aren't making a living trapping. There's one
17 | instance in the "Native Press", May 7th issue of "Native
18 | Press" from Resolution, this guy said that cats had
19 | trampled on his trapline and destroyed his traps and all
20 | that. This particular man for the last 15 years, I'm
21 | sure if his record was checked, the furs he sold and the
22 | welfare he's received you'll find that in the last 15
23 | years the fur that he's caught in that period wouldn't
24 | make up for the welfare he's received in any one year in
25 | that period. So I think that the credibility of guys
26 | giving testimony should be checked awful closely. Most
27 | of this hollering and stuff is done by the Indian
28 | Brotherhood, and this is a a group of people that are
29 | controlled by whites, not by the majority of the Indians.
30 | I was fired off "Hire North" by the Indian Brotherhood,

1 and they didn't know anything about it until it came out
2 over the radio. It was all done by whites, using Indian
3 Brotherhood for a name.

4 If I had half as much money and
5 half as much time as the Brotherhood has had, I could get
6 a group of people up in each settlement that would be
7 workers and good trappers to testify that we need the
8 pipeline, it would do good.

9 One other thing that I heard
10 on the radio, I think it was from Aklavik. The Indians
11 said they don't want any blond Indians, inferring that
12 when this construction goes ahead that the white men
13 are going to come in and take over all the women If you
14 look around Yellowknife or Ray River or practically
15 any other town, you'll find that there's more Indians
16 with white women than there are with native women. So
17 I don't think this argument is going to carry too much
18 weight.

19 Right now the government is doing
20 all kinds of things for natives. We have lower interest rates
21 for natives, training programs for natives, everything we can
22 to help them. I think this is real good, it's something we
23 really need. But why should be be criticized that we're not
24 doing enough? My wife was born up in this country, my kids
25 were born up in this country, I've lived here since I was
26 nine years old, and we're still not natives. We're still
27 considered outsiders, even my children. I don't think that's
28 fair.

29 When I was a kid up here, my dad
30 was real good friends with the Indians, in fact he saved a

1 | lot of them in Hay River here in the food. At that time
2 | they figured that the treaty was a real good thing, and it
3 | hadn't been signed that much before that. That was 1930,
4 | when it was signed in '21, so at this time I had the
5 | privilege of knowing a lot of the people that were
6 | involved in the signing of the treaty, and it was
7 | considered at that that they had made a real good deal.
8 | The fact that the economy went the other way is not so
9 | good; but that's beside the point. They figured at the
10 | time they made a real good deal and until the Indian
11 | Brotherhood with white backing started stirring things up,
12 | there wasn't any problem.

13 | One thing we do have to do in
14 | this country is get away from this special citizen.
15 | There's to be no difference between the Indian or white
16 | man or anything else; if a man's a good man, he's a good
17 | man; if he's no good, he's no good, and the government is
18 | creating this special citizen stuff all the time, and most
19 | of the ones that are working and making their own living -
20 | - and there's a lot of them that are, a lot of my good
21 | friends are -- they don't want to be considered Indians,
22 | they want to be respected for what they are, not for being
23 | an Indian or white man, half-breed or anything else.
24 | This whole situation has been created by the government in
25 | about the last 15 years. So now we're having a racial
26 | problem, or we will be having one.

27 | Another thing, they talk
28 | about going back to the old days. In Treaty 11, signed
29 | in 1921, the Commissioner's Report in that treaty said:

30 |

1 "Last winter there were no deaths due to star-
2 vation, as is characteristic in northern win-
3 ters."

4 I wonder how many of them would like to go back to that?

5 One of our big problems up here
6 is that there's too many instant experts coming into the
7 country, staying here for six months, three months, six
8 months or a year and write up a big report, and this is
9 what Ottawa is going by in an awful lot of cases instead
10 of going around and talking to the people that really
11 know. If you go into any community, and the first guys
12 that are up there to do all the talking are the guys that
13 don't do any of the work. These are the guys these
14 instant experts are talking to.

15 Getting back to training
16 programs, the cost of this Mackenzie Highway have this
17 Den-Mac Co-Op in Simpson that's working with mostly
18 natives, which again is a good thing; but it's got
19 completely out of hand. Instead of training them how to
20 look after machines, all they're doing is wrecking them,
21 brand new loaders, brand new trucks, they're taking them
22 in there without proper supervision and some of them are
23 being a complete write-off in less than a week. So that
24 shoves the cost of the highway up out of all proportions.
25 While the training program, like "Hire North" is really
26 good, when they get something like this it costs you
27 nothing but money and not doing any good at all for the
28 people they're training, instead of training them to
29 operate equipment all they're doing is training them to
30 wreck equipment. It gives the cost of the highway, the

1 total cost of the highway of course has to go up out of
2 all proportion.

3 As far as this Training
4 A.V.T.C., I tried to get graduates from there on heavy
5 equipment, carpentering, plumbing, and I phoned there
6 at least a half a dozen times and I never got anybody
7 from there. So I don't know what's happening to the
8 graduates from there.

9 THE COMMISSIONER: This was
10 when you were a foreman at Yellowknife, is that the
11 trade you mentioned?

12 A Both when I was at
13 Yellowknife and last summer I finished a housing
14 project in town here that Work Arctic was running and I
15 came in and took that over, and I phoned Smith, I
16 needed carpenters, I needed electricians, I needed
17 plumbers, and I couldn't get anybody from the training
18 program at Smith.

19 That's all I've got.

20 THE COMMISSIONER: Well,
21 thank you very much, Mr. Demelt.

22 (WITNESS ASIDE)

23 THE COMMISSIONER: I think
24 there was a gentleman at the back there.

25

26 ALEX MORIN sworn:

27 THE WITNESS: Alex Morin from
28 Hay River. I been living Hay River since '52, and I
29 like to bring up about fishing Hay River, how we going
30 to stand when the pipeline. We're not against pipeline

1 and we're not against white people, you know, we're
2 here to deal with people. That's my business.

3 I was elected Native Association to be president, to
4 work for people but I don't intend to run white people
5 or anybody else. I like to work with people, we're all
6 the same. I can't change my color, I can't change what
7 I am, but I'm here to bring it up to talk for native
8 people about fishing.

9 We had problem Hay River
10 fishing. We had good times, you know, with the
11 syndicate when we start out, we were just on a business
12 and Freshwater put us out of business. They were going
13 to show people how they were going to run the
14 Territories to bring everybody on his feet.

15 Well, last year let me tell
16 you, last year they damn near starved me out from the
17 lake. That's Freshwater.

18 I went to provinces' meetings
19 in Edmonton, Saskatchewan, I see what's going on, I
20 just got back last night but I went to the big meetings
21 in Edmonton, how people they're crying, they don't like
22 to face with welfare every day, that's all they know,
23 since Freshwater took over they don't know Freshwater
24 people because they know fish companies before. What
25 fish companies they were doing, they were helping
26 people, when the fishing start they were there to give
27 people some nets to startup; and since Freshwater took
28 over, they don't know them people, they're all
29 appointed by the government.

30 Doctors, name it, they got them.

1 They don't know nothing about fishing. They want to come
2 from Ottawa on the river to tell people how to trap. They
3 want to do same thing with us, to tell us how to fish. We
4 know how to fish, but I know that boy Freshwater, too. They
5 got people there,
6 they got one fisherman and that fisherman is brainwash. So
7 that's not helping the people. If you want to help people,
8 come here and talk to the people,
9 Freshwater.

10 Last three years we've been
11 facing with all kinds of problems. Everything went up
12 20%. Name it, you guys know, smart people up here.
13 I'm not smart. I've got no schooling, but I'm tied up,
14 I have to run around same as the rest. I got to go to
15 Ottawa to fight for fishermens here. So is native
16 people, you know, 95% is native people but I'm not
17 scared in front any place to speak up for native
18 because we've been facing too much problem because they
19 put us too much on the side, we don't know nothing.

20 If I had a paper in the front
21 with me, if I lost one page I would have been tied up but
22 I don't come, I come, my own experience here and I'm
23 trying to tell the people what we want, and as long as I'm
24 a native I want to pull for native people, because
25 sometimes I get mixed up but I learn as I go because I
26 have problems. All of us here, there's lots of fishermens
27 here, and I want to speak for them because I don't think
28 they know what I've been pulling through last three years.
29 I went all over to try and speak for them.

30 Election come last year, well that

1 | hurts me. I think they push money from the side to squeeze me
2 | out from the president of Fishermen Federation. They were all
3 | against me at that meeting, and then it really hurts me becaus
4 | I work for them to try and
5 | get better treatment -- some of my -- I can't speak
6 | no high words, you know, but I try and make it clear as I know
7 | because I was born in the bush. I realized that I had to do
8 | something for the people so as myself to protect myself.

9 | I like to bring it up about
10 | fishing here, what has been happening here. We're
11 | facing -- No. 1, we're facing, we talk five years
12 | till we blue in the face, and then you guys before you
13 | leave here take a look at that fish plant is in the
14 | bush. This is what is killing us. I know we all
15 | make mistakes, you know. For fishermens I like to see
16 | a receiving station waterfront where we can deliver
17 | native people here, I know last 23 years they used to
18 | deliver fish; now they have to deliver seven miles in
19 | the bush with a taxi the fish, to try and fish. By
20 | the time they collect their money they got nothing left
21 | for them. Taxi want too much, and then I'm pulling
22 | pretty strong to see a receiving station. We already
23 | make a mistake to have that fish plant here in the
24 | bush, but I like to see something built on the
25 | waterfront. We can work with the gas pipeline because
26 | we need it, that West Channel to be dredged, not just
27 | for the fishermen, the future of the companies, the
28 | flood control, we talk last -- I don't know how many
29 | years -- to try and get West Channel dredged, and then
30 | we never got no place yet, and they're talking of

1 | pipeline about waterfront. They don't talk
2 | about where they want to park barges. They're going to
3 | have 100 barges here, they need an area so they should
4 | work with us. We are glad to work with them.

5 | I'm not going to go around
6 | and talk about anybody. We're looking for a future
7 | for, our kids, too, to be something, not to just call
8 | down, "You're a drunk," or something. We can learn as
9 | we go. We want up-grading here. We got lots of
10 | schools here, four schools here. There's no money to
11 | train our people. Talking about a few minutes back
12 | here you need skippers. All kinds and type of people
13 | you need them here, we know the lake but nobody
14 | recognize us. If we had up-grading here, I can
15 | runnany boat. It don't take me long to learn, and then
16 | we can do it same thing to our kids for the future of
17 | their life, the pipeline. But I'm not going to run
18 | down white people. I'm not going to run down nobody.
19 | I'm going to work for people.

20 | I don't think we should be
21 | here talking about each other. I think when the
22 | pipeline come, because we should deal together, that's
23 | what I'm here for, to deal with them for native people
24 | you know. I'm not here to talk about anybody. We can't
25 | change our color, whatever we are. We never change but
26 | we like to work too, because I see all these problems
27 | not just in the Territories, I see it in Alberta,
28 | people they don't want to face because I have to talk.
29 | They support me in Alberta, they support me in
30 | Saskatchewan, anything I want to do for people.

1 I like to see them treated good too, you know,
2 about fishing. When we talk about fishing, they're
3 suffering today because they're getting 9 cents a
4 pound, when you pay Freshwater, you go and pay Hay
5 River here \$1.75 a pound for picker, \$1.20 for white
6 fish a pound, we're getting 30 a pound. You buy fish
7 Yellowknife, it's \$1. 35 a pound. So I don't know
8 what kind of business we're running, if we're going to
9 work for people.

10 I like to show what's taken
11 place, West Channel was taken away from us before you go
12 I'd be glad to show you. We got problems, we have to
13 face problems, I know this. But we like to deal, too.
14 But I'm not here to talk about anybody. I'm here for
15 the future of the kids, native kids, doesn't matter
16 what kind of kids. We can't change what we are. We
17 face these problems, we have to settle them because we
18 can't go back 100 years from now.

19 I'd like to see pipeline
20 start, but deal with people as you go, don't squeeze
21 them behind or in the bush some place. Face with
22 them.

23 MR. JACKSON: I'd like to
24 just ask you a few questions to explain a few more
25 things to the judge about fishing. The judge is from
26 Vancouver and they do things different on the West
27 Coast. Could you explain to the judge how you do your
28 fishing here, what times of the year you go out
29 fishing, and what kind of equipment you use?

30 A In Territories last

1 | couple years there's no closed season, you fish from
2 | open water to freezeup, and then freezeup till spring,
3 | as long as you could; but I know on the coast there you
4 | are again, like Freshwater. I have to talk about,
5 | there is only two fish plants across Canada that are in
6 | the bush. I don't know if you know on the coast all
7 | the fish plants in the waterfront. Then any fish
8 | companies before they were facing Hay River to buy
9 | fish, they were all in waterfront, that's where they
10 | save their pennies, all that extra cost running back
11 | and forth, we can't put up with that.

12 | Q Could you explain a
13 | little bit more when you go fishing in open water, what
14 | kind of boats to you use, what kind of equipment do you
15 | have, how many boats do you have, what kind of nets? So
16 | the judge has some idea of what you've got involved in
17 | in fishing.

18 | A This the reason I invite
19 | him to come to the channel. I think they be glad,
20 | fishermens to let them know what day for the winter and
21 | I think he can see it for himself, and then I'd be glad
22 | to take him around and talk to the fishermens the
23 | problem they're facing, and then we like to deal, again
24 | I say we're here to deal for the people. That's all I
25 | got to say.

26 | THE COMMISSIONER: Mr. Morin,
27 | how many -- about how many people, how many fishermen
28 | are there in Hay River?

29 | A There is right now when
30 | the Freshwater took over there was 35 big boats,

1 | and then they dropped to about 18 boats now, and then
2 | maybe 40 skiffs or something, small outfits, you know.

3 | Q And you were saying
4 | there's no closed . season on Great Slave Lake. You
5 | fish year-around. How do you fish, if you do, when
6 | there is ice on the water?

7 | A When it's safe enough
8 | to go out in the fall, winter fishing, you can go and
9 | go out fishing and then as far as you can fish in a
10 | season, you know, maybe 4 1/2 months in the winter
11 | fishing, or 5 months. Like before it was set seasons,
12 | you know; now it's no more set seasons, we fight for a
13 | few years to try and get between seasons it was just
14 | too long for fishermen, that's why we got no closed
15 | season.

16 | MR. JACKSON: You
17 | explained before when you were talking about Freshwater
18 | and how before Freshwater things were better. What
19 | difference did Freshwater make to you as a fisherman?
20 | Could you explain to the judge what happened after
21 | Freshwater came in the difference to your life as a
22 | fisherman?

23 | A When the Freshwater took
24 | over in Hay River, they come to Hay River, their lown
25 | Board was set up. As we had to pick up our own boats,
26 | we pay 2 a pound freight back on the boats and. then I
27 | guess it was a kind of mixup, everyone of us trying to
28 | grab a boat, you know, and then I think we have to say,
29 | we must have had, the manager wasn't too hot for
30 | Freshwater, I think that's the guy really hurts some

1 | the fishermen.

2 | Q Could you tell the judge
3 | a little bit more about some of the problems you have
4 | at the moment you're fishing, with the fish plant an
5 | with some of the other problems you have?

6 | A I hope some of the
7 | fishermens they come up here and speak. I'm sure it'll
8 | be a great hand for me because I think I explain myself
9 | already, and I like to see some of the fishermens come
10 | up here and then maybe they got something more to say
11 | and they will give me a break and I can come later on.

12 | THE COMMISSIONER: Well,
13 | thank you very much, Mr. Morin. I'd be happy to come
14 | down tomorrow morning with you to see where you carry
15 | on the fishery, and see some of the boats. That, I
16 | think would make what you've told me tonight a little
17 | clearer in my own mind.

18 | I'm afraid this is a public
19 | Inquiry so when I'm down there ,I can talk about the
20 | weather with the fishermen but I really can't hear
21 | their evidence. We have to do that up here so
22 | everybody else can listen to them; but I'll be down
23 | there tomorrow morning, if that's all right with you.

24 | A It's all right with me.
25 | Thank you. (WITNESS ASIDE)

26 | THE COMMISSIONER: There's a
27 | gentleman at the back there.

28 | MR. McKEEKIN: Does this
29 | work?

30 | THE COMMISSIONER: Yes, I

1 think it does.

2 ROBERT McKEEKIN, resumed:

3 THE WITNESS: I trust I don't
4 have to be sworn in again. I went through that today,
5 already once. I've been here this afternoon and this
6 evening. I'm not much of a spokes man but there's a few
7 points that I feel have been quite evident through
8 listening to reports on the radio about the Berger
9 Inquiry, and ever since the pipeline has started.

10 One was brought up by Mr.
11 Tetrault, and outlined quite well, I might add, as to
12 the financing of small businesses in the Territories
13 and the burden that will be put upon them in the
14 progress of a pipeline in regards to financing, and
15 whatnot.

16 Another point was brought
17 forth by Mr. Morin that he's not prejudiced whether
18 you're black, white, yellow or green, that they are
19 looking to get upgraded, they want to work and they
20 want to make it better for themselves.

21 Now you'll have to excuse me, I just
22 jotted down a couple of items here. Mr. Morin emphasized the
23 fact that people are equal, and as I mentioned before,
24 regardless of color or creed or whatever and that the idea was
25 to work together. Now if a person or any one individual or th
26 Federal Government were to take the money that they have
27 expended into research by the Indian Brotherhood, the Metis
28 Association, and the different white groups, and this Berger
29 Inquiry, and set up an Inquiry to get the people to work
30 together so that we could accomplish a common goal, we'd

1 probably
2 be far better off, At least it would be an ongoing thing for
3 the betterment of all Canadians as opposed to the results of-
4 this Inquiry which may be just a recommendation to a decision
5 which is already made,

6 So I would suggest -- and maybe I
7 haven't the right to --,that if the Federal Government were to
8 sit back and look at the funds that have been expended and to
9 see actually where they're going, me for one feel the money
10 that's being put towards the Metis Association, the Indian
11 Brotherhood, if I thought in one instance or in most instances
12 that that was going back to the people on the land that really
13 needed it, as opposed to consultants, lawyers and that sort of
14 thing, or even one-fifth of it were to go back where it's
15 needed, then I think it would be a good purpose. But all in
16 all, in my own mind if they were to take a good hard look at it
17 and just weigh the facts where their bucks have gone and sit
18 back and figure where they could have done better, then they
19 would probably be a lot better off.

20 That's all I've got to say.

21 (WITNESS ASIDE)

22
23 THE COMMISSIONER: Anybody
24 else that -- while you're collecting your thoughts, it
25 might be helpful if I said something about the thing
26 that is concerning the gentleman who just spoke. The
27 Arctic Gas people went to the Federal Government about
28 a year ago and they said, "We want to build a pipeline
29 to bring natural gas from Alaska and the Mackenzie
30 Delta to Southern Canada and the United States."

1 We're told this is the most expensive project ever
2 undertaken by private enterprise in history, so the
3 Federal Government said, "This is a matter of concern
4 to the people in the north, so we should hold an
5 Inquiry."

6 I'm here to hold that
7 Inquiry, and I'm here to make sure that everyone who
8 has something to say about this gets a fair hearing,
9 and then it is for the Federal Government to decide. I
10 think you all know that.

11 Now, Arctic Gas and the other
12 pipeline company, Foothills, have lawyers and experts and
13 they have throughout been appearing at the formal
14 hearings that I've been holding in Yellowknife. I said
15 to the Federal Government, "If this is going to be a fair
16 hearing for everybody, we'll have to provide funds to
17 people that represent interests in the north, the native
18 people, the environmental people, the municipalities in
19 the north, Chamber of Commerce, and in that way enable
20 all of them to have lawyers themselves and experts
21 backing up their lawyers who can appear at the Inquiry so
22 that they will be able to participate on equal terms with
23 Arctic Gas and Foothills.

24 That was done on my
25 recommendation and it is the only way, in my view, in
26 which we can have a fair and complete Inquiry.

27 Now, if you -- it seems to me
28 that if you are going to have a fair and complete
29 Inquiry, you have to do that, because while I enjoy
30 immensely listening to the lawyers and the witnesses

1 | for Arctic Gas and Foothills, I like to bear the other
2 | side, too, and that's why the funding has been provide

3 | Well, maybe we could leave
4 | that subject for the time being and turn to the
5 | pipeline proposal and all of its ramifications, and
6 | have anyone else who wishes to say something go right
7 | ahead now, you have that right and that opportunity.

8 | Yes, ma'am?

9 | MRS. WRIGHT: Mrs. Wright.

10 | THE COMMISSIONER: Yes, Mrs.
11 | Wright? Excuse me, could we just swear you?

12 |

13 | MRS. WRIGHT sworn:

14 | THE WITNESS: The
15 | development of the country has always been a marvel to
16 | me. When we came here there wasn't too much, but my
17 | husband come up here to start a hardware business
18 | because you couldn't buy anything here unless somebody
19 | brought it in with them, and so after a few trips here
20 | we couldn't think of anything else but the north. We
21 | loved it here and we missed it from Northern Manitoba.

22 | So we set up a business here
23 | and we branched out into all the different services and
24 | got into the propane business, we handled lumber and
25 | materials and everything to help build the community
26 | and the country for miles around.

27 | We found people on the whole
28 | very wonderful. We found people here, you accept them
29 | for what they are, what they can do, what they can --
30 | their good efforts they put out, and these are the kind

1 of people, it makes no difference what you are. You're
2 a citizen, everybody should be a citizen of Canada and
3 it don't matter whether they're native or what they
4 are, we should all be Canadians and be citizens. This
5 will give everyone an equal footing and there would be
6 none of this racial business. It hurts me every time I
7 hear it.

8 I heard some little sleepy
9 voice on the T.V. or the radio when I was having my
10 dinner tonight talking about racism in the Territories.
11 Now this is something that I have never found. We have
12 always had good relationship with all the native people
13 here. I have helped them with their problems, anything
14 that I could do, and I have found them very fine.
15 We've had many fine native people here and we have many
16 fine white people through all the years that have stood
17 by this community, and stood by all the things that are
18 good for a community and helped us to have what we
19 have here now.

20 As we go onto this pipeline that is
21 something we may have thought of very casually years ago, it
22 has come upon us very quickly, so to speak, and I think that
23 with all the study that has been on it, I imagine all the
24 preparation and all the things have been taken into
25 consideration for the welfare of our people, our wildlife
26 that we value so highly in the north here because it's their
27 last frontier, and it's also our last frontier. I expect that
28 they will all be duly protected and everything like this will
29 be
30 taken care of. Then we have our people here that well, the

1 | older people, we have always made a little groove for
2 | ourselves and this hasn't concerned us so much, but it's the
3 | younger people coming up now. All these people have been to
4 | school.

5 | The first school was started
6 | here in '49, they had one-half a term in '48 and they
7 | finally got all the native children going to school as
8 | well as the white children. My children were here
9 | they went with everyone to school. They've all grown
10 | up together here and everyone knows one another, they
11 | know them for what they are, they're good, and good
12 | sports, and good in different ways, and I think this is
13 | good. This should carry over into our efforts for this
14 | northern development. These young people are of an age
15 | now most of them, that want to work, they want to put
16 | their good efforts forward because they are becoming
17 | the age when you must do this; if you don't you never -
18 | - you just don't get far. Most of them are anxious to
19 | work, get out and do something and show us what they
20 | can do.

21 | I think that anybody that
22 | mentions racism is undermining our future here, and
23 | there is no such thing. I wouldn't like to see anyone
24 | feel that there is.

25 | Mr. Morin, I've known Mr.
26 | Morin since they come here in the early days when we
27 | were all here first. He's always been a fine man,
28 | steady worker, he works and he has always been very
29 | successful in his work until he's run up into these
30 | problems that all the rest have run into, and it's

1 something that I guess will have to be overcome.

2 But as far as finding better
3 men to work or anything like that, you just don't find
4 them. We have the whole community here, no matter what
5 we go to do, if we know that there's somebody in the
6 native district that can do something to help and would
7 like to do it, we go to them, and we go to white
8 people, everybody. There's just no -- we've never had
9 any division until this year there's a little bit of
10 talk about it which I don't want to see, I'd like to
11 see it disappear entirely. It bothers me.

12 For a part of Canada, a
13 country as great as we have, we should have no such
14 thing as racism, there's no need for it. I would like
15 to see this project go ahead. I would like to see
16 everybody do their best, and I'm sure that everyone is
17 putting all their good mental efforts as well as their
18 physical efforts into this to make it the best thing we
19 can have for this country. Whether it's going to be
20 all-Canadian or not all-Canadian, it will be, I'm sure,
21 decided because it's the best thing for Canada and for
22 the Northwest Territories.

23 I hope we will have some things
24 left over that we can cherish that we got through the
25 development, the building of the pipeline. It will be a
26 period in our history and if we have cheaper fuel and many
27 people who are in businesses and we have it so that we can
28 have secondary industries, our country will be very much
29 better off. I hope that we can look forward to this and that
30 nobody should be hurt. If people are contacted and people

1 | have a chance to put their good efforts forward, and their
2 | knowledge, and to actually co-operate, I'm sure they will
3 | find all the co-operation you could get from people of the
4 | Territories here. There's just no finer people in the world
5 | than you find up here.

6 | I'm sure there's somebody
7 | here who can help every branch of this construction
8 | with ideas that will help them in working in the north.
9 | There are many people here who have come through a lot
10 | of hard times and difficult periods doing jobs, doing
11 | construction but they have surmounted them and they
12 | have made them know how to do them safely and well. I
13 | think this just speaks well for all the years, 25 years
14 | that's been spent here. Most all this development has
15 | happened in that time, a great deal of it since '63,
16 | here, So I look forward to nothing but good. I'm glad
17 | to see so many people here, and it's just a pleasure to
18 | have everybody in Hay River. Thank you.

19 | THE COMMISSIONER: Thank you
20 | very much, Mrs. Wright.

21 |
22 | (WITNESS ASIDE)

23 | THE COMMISSIONER: Well,
24 | we've got lots of time and I'm not catching a plane or
25 | anything tonight, so anyone that wants to say anything,
26 | just feel free to go right ahead and bring it up. Yes,
27 | sir?

28 |
29 | ED STUDNEY sworn:

30 | THE WITNESS: Mr. Berger, my

1 | name is Ed Studney. I'm a member of the local
2 | Municipal Council, and I'm a fisherman. I fish for a
3 | living. Sitting back here and listening about people
4 | and all problems in trapping, I'm sitting back and
5 | wondering and looking at the map, if the pipeline goes
6 | in what do we get out of it? We're talking about a lot
7 | of things, but I haven't heard anybody talk about what
8 | we're going to get out of it.

9 | The oil companies are coming
10 | in, they're going to take our resource out, the
11 | pipeline companies are going to transport the gas and
12 | make a lot of money out of it. They're promising us -
13 | - promising the community to get your natural gas at
14 | the present cost of our energy or fuel. That's not
15 | much help to us. If we take gas, people have to buy
16 | new appliances. Can we all afford that?

17 | They say to build these
18 | laterals is in the neighborhood of \$60 million, and
19 | then the running of the laterals, I feel that if the
20 | oil companies and the pipeline companies would
21 | compensate the people of the Territories through a
22 | royalty system, annual or whatever it is that people
23 | would get, we could see to it that we could get a fair
24 | share. There's talk always about Mackenzie Valley and
25 | so on. I think there's only 40,000 people in the
26 | Territories. Nobody can help somebody that's living in
27 | Frobisher Bay or somewhere else, Baker Lake, I
28 | think if this royalty system is some compensation for
29 | our resource will be paid, I think all people in the
30 | Territories should get it, and I'd like -- I haven't

1 | much more to say, - your worship -- I think this is a
2 | very serious, important question, that we will not be -
3 | - I'll not say cheated, but make sure we get a fair
4 | share for our resource. Thank you.

5 | THE COMMISSIONER: Just
6 | before you leave, you said you were a fisherman, I
7 | think, sir. This afternoon it was said that if the
8 | pipeline goes through it might cause some problems for
9 | the fishing industry in Great Slave Lake, I think we
10 | heard evidence that when the pipeline is built there
11 | will be a big stockpile site here at Hay River
12 | employing about 400 construction workers, and then
13 | after that beginning in 1978 there will be 400 men
14 | employed here for three years to handle the loading and
15 | unloading of the pipe, and in addition, the capacity
16 | of the barges on the Mackenzie River will have to be
17 | doubled so there will be more men needed for that work.

18 | The suggestion was made that
19 | that will mean that the fishing industry will not be
20 | able to compete because it can't pay wages as good as
21 | people will get in this construction work in Hay River.
22 | Do you have any comment on that as a fishermen? '

23 | A Yes, I have, because we
24 | hear that when the pipeline construction goes on that
25 | the wages will be somewhere like \$2,000 a month or
26 | three, something like that. We're paying our fisher
27 | men 500 now a month, and we feed them and sleep them,
28 | and at the present prices we're getting for our fish
29 | we just can't pay another penny. We'd like to pay but
30 | we can't. As Mr. Morin pointed out, the fish went up

1 last year, I think it was 18% or something, and we had
2 a price increase of 1 over the '73-'74 summer season.
3 This year we have the same price for all species of
4 fish except the smoker white fish, which is 4 a pound
5 more, and then fish this year has probably gone up 15%,
6 so our take-home pay is, like the fall of '74 if I
7 caught the same number of pounds that I did in '73, my
8 take-home pay was \$5,000 less. Now if I catch as much
9 fish this summer as I did last year, my take-home pay
10 will be about \$2,500 less. Pretty soon the take-home
11 pay will be less and less and I'll just have to stay
12 home, I think.

13 But back to your question,
14 your worship, if our industry is to go on, we will
15 need some federal assistance in paying the wages
16 because a lot of fishermen are old. Who is going to
17 hire me to work on the pipeline? So there is a lot of
18 us fishermen, we're old in age and e we will have to
19 fish. After all, fish is, I call it a depression
20 industry, but whether you're 60 or 70, you could use
21 food immediately, which is needed, and we feel very
22 strongly that the Federal Government must grant some
23 form of grant to pay our wages to offset the wages paid
24 in the pipeline construction so we can maintain our
25 industry.

26 Q About how many people
27 are working in the fishing industry in Great Slave
28 Lake?

29 A Oh, I would say maybe
30 150 to 200 people involved with the plant people, all

1 | around.

2 | Q People in the boats and
3 | in the plant?

4 | A Yes. Q Altogether,
5 | and are most of them at Hay River, or are some at --

6 | A Yellowknife.

7 | Q -- some at Yellowknife.

8 | A The biggest majority is
9 | Flay River, then some are at Yellowknife and some are
10 | at Simpson Islands, which I think some Rat River people
11 | and some Resolution people may be fishing there

12 | THE COMMISSIONER; O.K., thank
13 | you very much, sir,

14 | (WITNESS ASIDE)

15 | MR. DEAN: I'd like to make
16 | my presentation now because it hinges on what Mr.
17 | Studney said also about the taxation of royalties in
18 | consequence of a pipeline.

19 |

20 | DON DEAN resumed:

21 | THE WITNESS: Here at Hay
22 | River we sit at the end of the railroad, as well as at
23 | one time the highway. The industrial impact in the
24 | north is felt first at Hay River. This is where the
25 | multi-nationals penetrate into the north. It comes to
26 | Hay River, and then it spreads out over a wider
27 | territory and it is here in this community that the
28 | multi-nationals make their initial impact upon the
29 | people of the north. Most of the time this impact
30 | deals with the technical side of civilization, we'll

1 | say, that has assumed a life of its own, and it's a
2 | life that no longer reflects the true needs of the land
3 | nor of the people. Hay River, because of its role and
4 | its position, has a key role to play in the future of
5 | this north but that role can only be played if the
6 | people of the north are allowed to gain for themselves
7 | control over the development.

8 | This means economic control
9 | as well as political and social, and being able to make
10 | decisions in terms of the environment impact. When I
11 | look at the tools of northern economic development I
12 | don't look at the non-renewable resources as being
13 | tools, but merely toys. I look at the potential for
14 | farming and it's a potential that is now being
15 | stonewalled by the Department of Indian and Northern
16 | Development and by multi-national interests. I look at
17 | the fishing industry; again the livelihood of the
18 | people have been abused by a Crown corporation,
19 | Freshwater Fish Marketing. I look at the forests. These
20 | forests here could provide much-needed housing for the
21 | people of the north, and once more I see large
22 | corporate interests being able to gobble up the forest
23 | interests such as in the Liard Valley where they've
24 | already sold 40 million board feet. I look at the
25 | traditional hunting and trapping and I see government
26 | and multinational interests again driving the people
27 | into a welfare state here in the Northwest Territories.

28 | The true tools of northern
29 | economic development are farming, are fishing, are
30 | forestry, and are hunting and trapping. But most of

1 | all, it is the people and their potential-to utilize
2 | these tools that will build the north and maintain it
3 | long after the gas and oil and mineral have been pumped
4 | out of the north to satisfy the thirst and greed of the
5 | multi-national interests.

6 | I'd like to present an
7 | example. Pointed Mountain at present has six
8 | producing gas wells. These wells are not taxed at the
9 | well-head such as they are in other parts of Canada,
10 | but at Fort Nelson, and they're taxed as British
11 | Columbia domestic gas. Yet it comes from within the
12 | political as well as within the geographical boundaries
13 | of the Northwest Territories and it's transported over
14 | Territorial land to Fort Nelson. Yet we have no say in
15 | the taxation or the royalty benefits accruing from that
16 | development. I feel that/in looking at the Foothills
17 | proposal, it should also be considered as they are to
18 | join Westcoast Transmission Company, which at present
19 | is the company involved in transporting gas out of the
20 | Territories without due payment of royalties directly
21 | to the people of the north.

22 | The question I would ask of
23 | both Arctic Gas and Foothills is whether their intent
24 | is to transport from the Territories natural gas and
25 | oil without compensation to taxation, royalties or etc.
26 | going directly to the people of the north.

27 | THE COMMISSIONER: Thank you
28 | very much, sir. Do you want to make any comment, Mr.
29 | Carter or Mr. Hollingworth? I should say for the
30 | benefit of those of you who weren't here this afternoon

1 | that Mr. Carter represents Arctic Gas, and Mr.
2 | Hollingworth represents Foothills, and when questions
3 | have been raised I've given Mr. Carter and Mr. Holling_
4 | worth the opportunity of commenting, if they wish the
5 | opportunity of answering the question, and failing that
6 | of comment,

7 | MR. CARTER: Well, a brief
8 | answer immediately is that Arctic Gas is a
9 | transportation company. It is transporting the gas and
10 | it will be responsible for paying the necessary taxes
11 | in the Northwest Territories for its facilities in the
12 | Territories. As far as royalties on the gas that it is
13 | transporting, that's the responsibility of the
14 | producing companies.

15 | THE COMMISSIONER: Mr.
16 | Hollingworth?

17 | MR. HOLLINGWORTH: Well, I
18 | have the same comment, Mr. Commissioner. I also think
19 | the point that Mr. Dean has raised is a very valid one.
20 | As you know, the Government of Alberta has been
21 | embroiled in a long session with the Federal Government
22 | on much the same issue. It's really a matter for
23 | ultimately the voters to decide with the government
24 | they elect, and what the government policy is set out
25 | to be. It is Foothills intent, obviously, to follow any
26 | policy government sets down. But that is, of course,
27 | always within reason. If it can't follow the policies
28 | that are set down it is going to go out of business.

29 | My point really is that it is
30 | really a point for governments to make, rather than the

1 | transmitting companies.

2 | (WITNESS ASIDE)

3 | THE COMMISSIONER: Well,
4 | anybody else? As I say, I'm in no hurry and I'm quite
5 | willing to remain here as long as you want me to stay
6 | tonight, and we'll be coming back here tomorrow
7 | afternoon and again tomorrow evening. So don't feel
8 | that I'm rushing you, but anyone that does want to say
9 | something tonight, certainly feel free to go right
10 | ahead.

11 | I think that we might
12 | consider adjourning, under the circumstances, but I'm
13 | told that we have some coffee and we can always have
14 | some coffee before we leave.

15 | Just before I do adjourn the
16 | meeting, though, Michael, do you know if there's
17 | anybody else? Oh, there's a lady at the back.

18 |

19 | LAURIE UHLENBERG sworn:

20 | THE WITNESS: My name is
21 | Laurie Uhlenberg. I'm a resident of Hay River, and I'd
22 | like to bring up one point in question. I'm a little
23 | bit nervous because I'm not used to speaking in public.

24 | With Arctic Gas or any of the
25 | pipeline issues, are any of these laborers going to be
26 | native laborers? Right now in the Territories there is no
27 | training program now to equip these young boys or young
28 | men to go into any field which requires a ticket. Are
29 | these people going to bring in their own men from the
30 | outside?

1 THE COMMISSIONER: Well --
2 MR. CARTER: Sir, Mr.
3 Workman can outline the present training program and he
4 should probably be sworn.

5 (WITNESS ASIDE)
6 THE COMMISSIONER: Yes,
7 swear Mr. Workman.

8
9 AL WORKMAN sworn:
10 THE COMMISSIONER: We'll
11 just listen to the answer. Mr. Workman may sit over
12 here, this is our first look at you.

13 THE WITNESS: Well, I think
14 there's quite a number of people in the Hay River area
15 that are aware of the training program that the
16 petroleum industry in the Northwest Territories has
17 undertaken. Canadian Arctic Gas is co-ordinating a
18 program called "Nortrain" and this is a program of
19 training of northerners sponsored by the petroleum
20 industry, Gulf, Shell, Imperial, Foothills, Canadian
21 Arctic Gas. The program is designed primarily to
22 prepare northerners to accept jobs that will become
23 available with the development that will happen as the
24 pipeline -- or if the pipeline project goes through.

25 Now it takes a long time to
26 train people to do the technical jobs that will develop
27 with this project. It takes probably five years to train
28 a southern High School graduate in operating a gas plant
29 or operating a compressor plant. So it will take quite a
30 while for us to train people from the north in these jobs

1 | that will develop up here.

2 | We can't train people on a
3 | project in the north where we don't have facilities
4 | such as gas plants in the north, so we are having to
5 | train a lot of these people in the south where there
6 | are such facilities. At present we have about 100
7 | northerners on the training program training them in
8 | the hopes that there will be jobs available for them
9 | in the north as our project develops.

10 | However, it's not fair, as
11 | has been pointed out earlier, to train people and not
12 | have jobs for them when the training is finished. So
13 | even though we're not sure that the project is going to
14 | go, the various companies, the various oil and
15 | transmission companies that are partaking in this
16 | project have guaranteed these trainees a job on
17 | completion of their training regardless of whether the
18 | pipeline goes or not.

19 | Now of course, once we get
20 | word that there will be a pipeline, then our training
21 | program will expand and I'm sure that we will have
22 | far more jobs, training positions than there will be
23 | people in the north to fill them. The training jobs
24 | that we're talking about aren't just training to
25 | operate a bulldozer or to be a welder; they cover a
26 | wide range of occupations up to business management.
27 | In fact, we will train anybody as far as he is willing
28 | and able to go. It may be that an individual on a
29 | program reaches a point where he can't go through or
30 | pick up any further training because he lacks a certain

1 amount of academic education. At that point we will
2 determine what he really requires in the way of further
3 academic training and either arrange for some Night
4 School work for him in that particular course, whether
5 it's physics or chemistry or mathematics, whatever it
6 may be that he needs to progress further in that job.

7 We will arrange that he will
8 get that training. Once he gets enough academic
9 training to progress in the job, he'll go back onto on-
10 the-job training and carry on until he reaches his
11 limit. It may be that after a few months on the
12 training program the trainee may decide that this isn't
13 really the field for him. Rather than be a gas plant
14 operator, he'd prefer to be out surveying. That's
15 fine, we're flexible and we have moved people around,
16 put them into other areas where they feel they might be
17 more acceptable, and tried to fit the individual into a
18 field he finds is really the one that is most
19 acceptable to him.

20 This business of moving
21 people, out of the north down into the south to
22 advance their training is a pretty tough situation.
23 People don' like being taken out of their home area,
24 they're into an uncomfortable new situation. We have
25 native counsellors, supervisor
26 counsellors that work hand in hand with these people.
27 If the trainee is a married person,
28 we make arrangements that his wife and family be moved
29 in, and he's treated on the job exactly as any other
30 person working on the job is treated, except that he is

1 given this added benefit of being trained d to keep on
2 moving upward in the ladder.

3 Did that answer your
4 question?

5 LAURIE UHLENBERG: No, it doesn't
6 because I'm thinking of your young people, your young people
7 that don't go to school here and they have a Grade 9 or Grade
8 10 education. They want training. Who is providing it? The
9 schools up here aren't. The government isn't because there
10 are no courses at Fort Smith that a lot of these boys want to
11 take that are available.

12 MR. WORKMAN: Well, we have
13 people with Grade 6 education that normally the
14 petroleum companies, we are training them in jobs that
15 normally the petroleum companies in the south would
16 not accept anyone without a Grade 12 minimum education
17 We feel that we can't impose such a limitation on
18 northerners. We've got to give them a break, so we
19 start them off even with this lower education limit and
20 train them on the job and provide the academic training
21 when a need arises on that particular job. There's no
22 point in training, say, an individual who is learning a
23 technical field -- I shouldn't say "there's no point" -
24 - we don't emphasize say, history training in a
25 situation like that. We may emphasize mathematics.

26 LAURIE UHLENBERG: Well, who
27 is your liaison person here in hay River, because I
28 know specifically two boys that would love to get
29 trade, would like to get into this now while they're
30 young, they're 16 and one is 18. Now they don't know

1 | where to go. This pipeline is supposed to be coming.
2 | Who's it benefitting other than the white people? The
3 | young native northerner is not going to benefit from
4 | this, that I can see,

5 | MR. WORKMAN: We have just
6 | about 100 native northerners on our program to date.
7 | We would like to be able to expand it, but since we
8 | guarantee jobs at the end of their training, we find it
9 | very difficult to expand the program at this stage
10 | because if the pipeline does not go, we've got to
11 | absorb them into the southern job situation. So until
12 | we are sure that the pipeline is a go situation, we
13 | have to limit it to this level.

14 | LAURIE UHLENBERG: Should the
15 | pipeline go, should you employ native northerners -and
16 | I'm not talking just Hay River, I'm talking all the way
17 | down the delta, the whole thing, -- are these oil
18 | companies going to leave enough money behind to train
19 | these young native people to get their schooling and
20 | give them an incentive that there is something, not for
21 | one year or two years but they're going to have
22 | something for maybe the rest of their lives? Perhaps
23 | then they can integrate into white society, which
24 | everybody seems to think it's so easy when you come from
25 | the south; it's not that easy for these people.

26 | MR. WORKMAN: Our program
27 | plan is that we will train them just as far as they
28 | would like to go.

29 | LAURIE UHLENBERG: Just to a
30 | selected few, though.

1 MR. WORKMAN: I think the
2 number of opportunities will be such that any native
3 northerner in the Mackenzie
4 Valley will have this opportunity if he so desires.

5 LAURIE UHLENBERG: And this
6 will continue after the
7 pipeline has -- should it go and once it's all finished
8 and the hubbub is over, *ho is going to be concerned
9 about the trades of these people at that time? What
10 are the oil companies thinking of in terms of this?

11 MR. WORKMAN: I can't
12 foresee an end to this. The 100 people that I
13 mentioned right now are the 100 people that Canadian
14 Arctic Gas -- that are on this training program, the
15 Nortrain training-program that Canadian Arctic Gas is
16 co-ordinating. The oil companies as well are doing a
17 lot of training right today on an individual basis.

18 LAURIE UHLENBERG: But do
19 you not think maybe the oil companies could approach
20 the Board of Education here in the Territories to
21 inform some of these very young people that maybe it
22 would be an incentive today in school to get their
23 education and to become on par with the white students
24 so that they can benefit from some of these programs?
25 Because this is the first I have heard of it.

26 MR. WORKMAN: This is part
27 of the program, to promote --

28 LAURIE UHLENBERG: We don't
29 hear that much about this program. You say it's here
30 and it very well may be, but if I don't know about it,

1 | and a lot of other white people don't know about it,
2 | how do you suppose a shy young native is going to know
3 | about it? He can have all the ambition in the world
4 | but they're very shy people and they don't go and
5 | approach on the same level as a white student would. I
6 | think this is being overlooked at every turn in this
7 | here pipeline, and you talk education and training, I
8 | don't think you're really looking at the people involve

9 | MR. WORKMAN: We have --

10 | LAURIE UHLENBERG: And I
11 | think the gas companies should take a good long look at
12 | it because these people belong in the north, they
13 | belong with the white people, and they should have a
14 | greater opportunity because they don't have the same
15 | educational values that a white student would have
16 | instilled in himself,

17 | MR. WORKMAN: We couldn't
18 | agree more with you. I'll agree
19 | 100%. Right now we are doing all we can to promote it
20 | through the schools. You mentioned you haven't heard about
21 | it, there's certainly a large number of people that have
22 | heard about it, and in our office in Yellowknife I would
23 | think we receive about six or eight a day coming through
24 | asking for information.

25 | LAURIE UHLENBERG: There
26 | again you're looking at Dogrib Indians. We have
27 | Slavey Indians here, they are two different tribes of
28 | people and they think different. You don't classify
29 | one Indian as all Indians or one native as all native
30 | because they certainly are different people and

1 | different cultures.

2 | MR. WORKMAN: Yes, we
3 | appreciate that and we do have people from our training
4 | program, the co-ordinators come through three, four
5 | times a year on a recruiting program advertising the
6 | program and looking for candidates.

7 | LAURIE UHLENBERG: Can I
8 | speak again tomorrow when I'm more prepared?

9 | THE COMMISSIONER: Well you
10 | seem to be well-prepared today.

11 | LAURIE UHLENBERG: No, I'm
12 | not prepared tonight. I
13 | would like to come back tomorrow.

14 | THE COMMISSIONER: Well, you
15 | certainly may, ma'am, and anyone else who feels they
16 | will be better prepared tomorrow may speak tomorrow and
17 | even if you're not any better prepared tomorrow you can
18 | still speak tomorrow.

19 | Before we go, could I just
20 | ask a question, Mr. Workman?

21 | Q Once you've built the
22 | pipeline and leaving aside the question of looping for
23 | the moment, how many people will actually be employed
24 | operating the pipeline?

25 | A In the Northwest
26 | Territories we're looking at a figure of roughly
27 | over 200, This does not include the people that would
28 | be employed in operating the gas plants, the gathering
29 | systems, and the various services that go along with
30 | the oil industry development.

1 (WITNESS ASIDE)

2 THE COMMISSIONER: Well, if
3 anybody else wants to take a crack at Mr. Workman or at
4 anybody else, or even at me, you're entitled to. I
5 don't know whether you fall into that category, Mr.
6 Hollingworth. Yes, you're entitled to tell us about
7 your training program and so on.

8 MR. HOLLINGWORTH: I didn't
9 want to get onto that. I think Mr. Workmen has laid
10 out the situation very well and quite properly
11 indicated that Foothills is involved in this. I just
12 thought there might be some confusion that with two
13 competing pipeline proposals, why Foothills and Arctic
14 Gas might be working hand in hand on this. Perhaps it
15 would be worthwhile to just run very briefly through
16 the history of the program which commenced in 1971, an
17 once the Arctic Gas Study was formed, of which
18 Foothills parent, Alberta Gas Trunk, was involved, the
19 program was kept on.

20 Alberta Gas Trunk left
21 Arctic Gas, this is fairly well known, in 1974 in
22 September; but because this program did seem to be working
23 out so well and because Alberta Gas Trunk had place, I
24 believe, 26 of the 100 people Mr. Workman has mentioned,
25 it was decided that because of the success of the program
26 that this was one area where the parties, although
27 competing, would continue to work together. I just
28 thought I'd add that as clarification,

29 THE COMMISSIONER: Yes,
30 thank you, Mr. Hollingworth.

1 Well, I think we'll adjourn
2 then and we'll start again at 1:30 tomorrow afternoon
3 here in the Legion, and you're welcome to come back at
4 1:30 tomorrow afternoon and we'll still be here at
5 eight o'clock tomorrow night for our evening session
6 tomorrow, and you're welcome to come back then, and
7 you're welcome to remain now for a cup of coffee as
8 long as it lasts.

9 (PROCEEDINGS ADJOURNED TO MAY 29, 1975)

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