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)

Pine Point, N.W.T. October 6, 1975.

PROCEEDINGS AT COMMUNITY HEARING

Volume 30

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Pine Point, N.W.T. 1 2 October 6, 1975. (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT) 3 THE COMMISSIONER: Ladies and 4 gentlemen, I will call our meeting to order. I'll begin 5 by introducing myself and some of the others present. I 6 am Judge Berger and the ladies seated to my right are 7 connected with the Inquiry; the lady making notes 8 assiduously is Miss Hutchinson, the secretary of the 9 Inquiry, who swears the witnesses in. The other two 10 ladies are the official reporters who transcribe 11 everything that is said on tape, that's why they use 12 masks. 13 The gentlemen on my left are 14 from the C.B.C. The gentlemen in the red vests are Mr. 15 Fraser, Mr. Sittichinli, Mr. Toby and Mr. Blonden, who 16 broadcast on the C.B.C.'s Northern Network in English 17 and the native languages each night from the Inquiry, 18 and the gentleman immediately to my left is Mr. Bamber 19 who is with Radio Canada, which broadcasts in the 20 French language on T.V. and radio on the C.B.C.'s 21 22 French Network. 23 Now I'll mention something about the Inquiry and hope that by the time I'm finished the 24 representatives of Arctic Gas will have arrived. 25 The Inquiry has been established to 26 consider what the impact will be of the pipeline that Arctic 27 Gas and Foothills Pipe Lines want to build to bring natural 28 gas from the Arctic to southern markets. 29 I am here because I am holding hearings in every community in the Mackenzie 30

Valley, the MacKenzie Delta, 1 and the Northern Yukon likely to be affected by the pipeline, 2 if it is built, and as you may know, one of the companies, 3 Foothills Pipe Line, proposes to build feeder line from the 4 main pipeline to Pine Point to supply natural gas to the homes 5 and industries of Pine Point. 6 My job is to consider what 7 the social, economic and environmental impact of the 8 pipeline will he in all its ramifications, and then to 9 recommend to the Government of Canada the terms and 10 conditions that ought to be imposed if the pipeline is 11 built. 12 13 Now, Canada and the United States have a great appetite for oil and gas. That is 14 why the Government of Canada is considering this gas 15 pipeline, but before they decide what to do want to 16 17 know what the people in the north, they want to what you think about it. That is why they have sent me here. 18 Now we have been told that 19 this pipeline project is the greatest project in terms 20 21 of capital expenditure ever undertaken by private 22 enterprise anywhere. We have been told by Mr. Horte, the president of Arctic Gas, that if pipeline is built 23 it is likely that it will be looped -- that is that 24 construction of a second gas pipeline will be commenced 25 within five years after completion of the first 26 pipeline. We have been told by Mr. Blair, the 27 president of Foothills Pipe Lines, that if a gas 28 pipeline is built it will result in enhanced oil and 29 gas exploration activity throughout the Mackenzie

Valley and the Mackenzie Delta. 1 We have also been told that 2 companies that have found gas in the Mackenzie Delta 3 have advised the Government of Canada that they watt to 4 build a pipeline to bring oil from the Mackenzie Delta 5 up the Mackenzie Valley to Southern Canada by So it is 6 vital that we take a hard look now at this pipeline and 7 what its consequences will be, for once the first 8 shovelful of earth has been dug, once the first length 9 of pipe has been laid, it will be too late. 10 After I have heard all of the 11 evidence, I will make my report and recommendations to 12 the Government of Canada. It isn't for me to decide 13 whether or not there will be a pipeline. That will be 14 up to the government. They will have to decide whether 15 they want a pipeline, and if they do they will have to 16 decide whether they want Arctic Gas or Foothills to 17 build it. 18 I have invited 19 representatives of Arctic Gas and Foothills to this 20 hearing, and it appears that both sides are now here 21 22 and represented So they can-hear what you have to say and answer any questions you may wish to ask. 23 24 Just take seats up here, if you I want you, the people who live here, who make the 25 north your home, to tell me what you would say to the 26 Government of Canada if you could tell them what was in 27 your minds, because I am here to listen to you. 28 29 Well, I think that we might,

Mr. Mayor, be guided by you. If you want them to, I

will ask the representatives of the two companies to 1 tell you and the other people here something about 2 their proposals; but if you would rather begin with 3 your own presentation, that will be fine with me. 4 5 leave it in your hands for the moment, if you wish. MAYOR OSING: Judge, I don't 6 7 have too much to say, really. I don't have a prepared brief for you. 8 9 THE COMMISSIONER: Well, we'll swear you in then, and you can tell us what you 10 wish to tell us. 11 12 MAYOR ANVID OSING sworn: 13 THE WITNESS: First of all, I 14 want to take this opportunity to welcome you and your 15 group to Pine Point. We appreciate the opportunity to 16 17 sit down and discuss the situation with you. You have had an opportunity 18 to look around Pine Point and you can se that we're a 19 young town. We're quite proud of our town, but it took 20 quite a few ,years to get to the stage that you see 21 22 around you at the present time. As near as we can gather, interest in this particular area developed in 23 the late 1800's, 1898, to he specific, the first claims 24 were staked in this area, in 1899 the Government of 25 Canada reporter941 Geological Survey of Canada on the 26 deposits in the Pine Point area, and during the next 20 27 years, claims were staked and were allowed to lar and 28 it was a period of interest and yet there wasn't that 29 much interest.

In 1920, the first real 1 2 activity started in which a C.B. Dawson examined deposits and claims were staked for American interests. 3 During the period 1926 to 1928, Cominco Limited became 4 interested and they staked some claims. Dawson, who 5 was looking after the Boston interests during the same 6 7 period, actually got involved in some development work, churn drilling, and some shaft-sinking. 8 In 1929 the Boston interests, 9 Cominco Limited, and Atlas Ventures Limited, formed to 10 form the Northern Lead Zinc Company; and during the 11 per, 1929 and early 1930 there was a lot of development 12 work went on. 13 Then the area was pretty well 14 dormant from 1930 until 1948, only enough work was done 15 during those years to maintain the claims in good 16 17 standing. In 1948 Cominco obtained a 18 500 square mile concession around the original staked 19 area, and in 1951 Pine Point Mine Limited was formed, 20 and plans were laid at that time for the ultimate 21 22 mining operation. 23 In 1961 an agreement was reached between Cominco Limited, Pine Point Mines 24 Limited, and the Government of Canada, to build railway 25 into Pine Point; and in 1962 railroad construction 26 In 1963 we saw the start of the townsite, and 27 the plants down at the mine. 28 29 In 1964 the railway reached Pine Point, and in 1965 Pine Point Mines started production. 30

It took 67 years for Pine 1 2 Point to take shape from the time the first claims were staked in the area until we had permanent residents 3 living here. As I indicated to you earlier, we're very 4 proud of our town. We look for continued expansion, 5 and improvements. 6 7 At the present time the 8 population of Pine Point is 1,800. Our school will take children to Grade 10. Those children going onto 9 Grades 11 and 12, either have to travel by bus from 10 here to Hay River or go to Akaitcho Hall in 11 Yellowknife. We don't have a hospital in Pine Point, 12 but we do have doctors coming in three times weekly. 13 Pine Point Mines operates an ambulance service between 14 Pine Point and Hay River. Our shopping facilities are 15 limited. All our efforts to try and promote private 16 enterprise to come into Pine Point, we run into the 17 problem of high cost of land, developed land, as well 18 as housing. 19 I don't think we are any different 20 21 than any other developing northern community. 22 difficulty attracting people to come to Pine Point, and one of the main reasons there is the fact that we don't have 23 sufficient housing. Primarily we have about three 24 landlords, there is very, very little home ownership, we 25 don't have any privately owned homes in Pine Point. We do 26 have many privately owned trailers. The houses are either 27 owned by Pine Point Mines, the Federal Government, or, the 28 Territorial Government, and people who come to Pine Point to 29 live and to work that the price of land and the constructing

of housing just isn't worth it to them. WE are continually 1 having discussions with the Territorial Government in order 2 to improve this situation, for several reasons. A lot of 3 our skilled labor has to come from out of province, so to 4 speak, or out of the Territories. We would like to see some 5 form of training program in which we can use local labor. 6 We have at the present time -- and it's difficult for me to 7 give you a precise figure -- but somewhere between 45 and 60 8 native people working in Pine Point. 9 THE COMMISSIONER: 10 You mean in the mine? 11 12 Α Yes, in the mine, and we have a diamond drill company working here. 13 Q Sorry, I didn't hear that. 14 A diamond drill company. 15 Α Oh yes. 16 Q 17 Α And a private construction firm. I'm not sure of the number of 18 natives that they employ. The natives that are 19 employed here are not necessarily from the Northwest 20 Territories, they come from the Prairie Provinces as 21 22 well, and there again I can't give you precise figures. We are interested in using people that are living in 23 the area for work in the area. 24 Although the pipeline site is some 25 distance from Pine Point, quite a distance according to your 26 map, we in Pine Point are going to be affected in one way or 27 another, and in discussions with some of our towns people, 28 councillors, the two main points of 29

interest are going to be people. We're concerned about the

possibility of losing some of our people to construction jobs 1 in the pipeline. We've heard the high cost, or high incomes 2 that some of the construction workers are making on the Alaska 3 Pipeline jobs, and no doubt we're going to run into this kind 4 of problem here. The concerned that our community doesn't 5 suffer through shortages in labor. I can speak for the Town 6 of Pipe Pine Point, we have half a dozen or so employees 7 That's a full complement, but we're always 8 working for us. looking for somebody to fill in for somebody that's just 9 resigned I'm sure this is not any different than many other 10 community in the north. It's a concern to us. 11 attract people here, and we like to keep them here. 12 concerned about the Mackenzie Highway. It has never been a 13 top highway or a first-class highway. There have been many 14 accidents on the highway due to dusty conditions and so on and 15 16 so forth. We're concerned that the large volume of freight that's going to be hauled up that highway during the next |few 17 years is going to have a detrimental effect on the highway, in 18 fact it will probably ruin the highway. Any work that has to 19 be done on the highway probably will be makeshift work, 20 because the materials are not readily available along the 21 highway site or route, to affect proper and long-lasting 22 repairs. We'd like to suggest that since we have the railway 23 running parallel to the Mackenzie Highway that the railway be 24 used more for transporting goods and supplies into the 25 Territories. I realize that there's going to have to be a lot 26 of work done to 27 speed up the process, move the railway cars along. 28 this as a possibility towards saving the Mackenzie Highway 29 rather than wrecking it.

I'm happy to hear that Pine 1 2 Point is being considered for a feeder line. We look to, in this day and age, to a cheaper source of fuel 3 both for our town and presumably the mine. 4 I think I covered just about 5 everything that I wanted to say on behalf of the Town 6 7 of Pine Point. I think our prime concern is the highway system and the labor situation. 8 I mentioned to you the fact 9 that our school kids have to travel to Hay River, 10 that's a 120-mile return trip for those kids, and if 11 you drove in by highway today, the highway is excellent 12 compared to what it was up to a month ago. I think the 13 government were probably preparing you for this trip. 14 We've been after them for years to do some work on it, 15 and all of a sudden we get crews working all along the 16 60-mile stretch. 17 Thank you very much. 18 19 THE COMMISSIONER: Well, thank you, Mr. Mayor, very much. I think that we might a you, Mr. 20 Ellwood, and Mr. Mirosh and Mr. Carter to speak to the 21 22 people here from Pine Point, and tell the: proposal and deal with some of these questions that the 23 mayor raised, and then we'll hear from any others who wish 24 25 to speak, and of course you can ask any questions of these people from the pipeline companies. I should say the two 26 gentlemen at this 27 table are Mr. Mirosh in the blue jacket, and Mr. Ellwood in 28 the brown sweater. They're from Foothills. 29 The gentleman behind them in the brown and white shirt is Mr. Carter, who

1	is here on behalf of Arctic Gas.
2	(WITNESS ASIDE)
3	THE COMMISSIONER: We'll
4	start off with you, Mr. Ellwood, if you wish to or
5	Mr. Mirosh, whatever.
6	MR. MIROSH: Thank you, judge.
7	I can I haven't prepared
8	anything formally here, but I will be pleased to give a
9	very quick rundown of the Foothills project. I can
10	start by repeating some of the things that you said
11	about Foothills being a project to bring natural gas
12	from the northern portion of Canada, around Richmond
13	Island, in a pipeline some 817 miles long which goes to
14	the 60th parallel, and from there new pipelines are
15	built to connect with existing pipeline systems in
16	Southern Canada and British Columbia and Alberta, and
17	the gas from the north is eventually carried in our
18	project from Vancouver to Quebec City.
19	Foothills is a company which is
20	made up of two prime sponsoring companies, one being
21	Alberta Gas Trunk Line, which is a natural gas
22	transportation company in Alberta; and the other being
23	Westcoast Transmission, which is a natural gas
24	transportation company in British Columbia. The primary
25	thrust of our project and something that we have put
26	forward before is that it is a Canadian project towards
27	bringing Canadian gas into Southern Canada and into
28	communities along the Mackenzie and around the Slave Lake.
29	Now the primary concern to
30	Pine Point is the lateral, the feeder lateral, which we
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are proposing as part of our project to bring gas from the mainline around Fort Simpson and to tap that gas of off and run it east as far as Pine Point at the south -- on the south side of the lake and up as far as Yellowknife n the north side. Hay River as well would have a lateral bringing gas to it. Our position is that we have calculated that there are certain communities which it is possible economically to bring gas into o result in a saving to the consumer of that gas, whether it's a commercial firm or a household, and we have also anticipated that there would be some industrial. requirement and savings there. The lateral from around Fort Simpson, which comes around the south side of the lake, iou be about 120 miles long getting to Pine Point, and under our present plans this lateral would in part be constructed during 1979 winter and in part during the 'inter of 1980. The portion around Pine Point currently planned to be constructed during the winter of 1980. :t would be all-winter construction. pipeline would be buried on the feeder lines, as it is for the pi** a that it is out of sight. The primary requirement is right-of-way for the pipeline which means a clearing of some 60 feet wide, or possibly wider, and other than that the pipeline is not really visible. Now, our thinking on bringing gas into the communities is that we would, if the community agreed to it, and only if the community

agreed to it, that it was necessary or desired, we

this way.

would run the gas into the community to a location that both the pipeline company and the community agreed to, somewhere near the town, and at that point install a meter station which would be a small building perhaps 10 feet x 10 feet in dimension, and at this point it would be up to the community to establish some means of distributing that gas within the community. In other words, we in the gas transportation business but not in the distribution business, and we would encourage then that the community would establish either a co-op or some sort of a company or encourage another company to come in to distribute the gas within the townsite.

In fact, we would be quite willing to assist in establishing the initial cont** on

I think that -- well, the other point I might say is during construction there would be an impact, of course, every place that we are building pipelines, and in the case of this lateral we would have a construction camp -- or the closest construction cm to Pine Point would be some 20 miles west and that wild be about a 250-man construction camp during that winter season of construction in 1980, and the personnel for that camp would be confined to living in that particular area, and operate out of that area.

this with whatever local initiative there was to go

After that winter of construction across the North Slope or further south near Old Crow. In any case the gas from Alaska would join up with the gas from the Mackenzie Delta area of Canada and would come together along

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the route that's on the map there, up the Mackenzie Valley and then into Alberta, and in Alberta it would be split up. Some c the American gas going east, some of the American gas going west, and similarly the Canadian gas going east or west, but Canadian gas only going to Canadian markets and the American gas going to the American markets. Partly because of this, the mainline at least would be somewhat larger than that proposed by Foothills. It would be 48 inches in diameter whereas, as I understand, Foothills would be 42 inches in diameter; but it would be buried as Mr. Mirosh says the Foothills line would be There are compressor stations to keep the gas moving along repaired approximately every 50 miles along the pipeline right-of-way. Now with respect to feeder lines to supply gas to the communities along the pipeline route or Pine Point-Hay River, Arctic Gas' policy here is somewhat different than Foothills'. They have not decided that as an integral part of their project that they will supply gas to all the communities. They have said this is a decsion: that will have to be made by the government. They've done studies to determine which communities it's economically feasible -- for which it's economically feasible to supply gas. They've supplied this study to the government, and I believe the government are doing studies of their own; but there are a number of factors involved, including the cost of change-over from the present system, it's using fuel oil, who will be the distributor. mentions that some other company would probably distribute the gas, whether this would be the person who is presently supplying fuel or what would happen to him, the possibility

of subsidies in those places where it's not economically

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feasible.
               In view of these factors, Arctic Gas has not made
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   the decision themselves on whether or not there should be
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                  They've said that that will be up to the
3
   feeder lines.
   government. However, if the government says that as part of
4
5
   the overall project, they must supply gas to the communities,
   they will do so.
6
                              That sort of in a nutshell is
7
   the Arctic Gas proposal.
8
                             With respect to the two main
9
   matters raised by yourself, Mr. Mayor, the first matter
10
   of the highway use, there will undoubtedly be a considerable
11
   amount of use of the Mackenzie Highway, and more
12
   so certainly than is used now. As I recall, the
13
   witnesses in Yellowknife from Arctic Gas said that the
14
   line as far as Fort Simpson from the south would be supplied s
15
   far as pipe and other materials via the highway.
                                                      The rest of
16
   the line further north down the
17
     river would be, the supply would be by barge, but certainly
18
   there would be use made of the highway as far as Hay River, an
19
   in that sense it would affect the highway that people from Pin
20
   Point use.
                I think there's
21
22
   no doubt that the highway as it presently is, if subject to
   that use, would be detrimentally affected.
23
   don't believe that the company has any definite policy on that
24
25
   but the government,
                              I believe, would certainly have to
26
   ensure that the highway wasn't put in any worse position than
27
   it was before, and hopefully it would improve it, and the way
28
   of doing so would be to tax the use of the highway by the
29
    trucks via licence tax and fuel tax or whatever.
                                                      But this
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certainly an important consideration, I'm just not aware of 1 any further policy that the company has on that, but that they 2 are aware of it and I agree with you that it is an important 3 concern. 4 So, too, is the labor supply 5 that you've mentioned. Now, there will be some jobs 6 that will be different from those formed by the people 7 at Pine Point in that they're more related to pipeline 8 construction than the mining industry, but laboring 9 jobs would apply to both, and as you say, if the wages 10 are high on the pipeline, people will be attracted to 11 there. I don't know what I can say about that other 12 than I agree with you that it is a problem that's going 13 to happen, and what exactly the company can do, I'm not 14 sure. You have to pay the going wages and you can't 15 say that you're not so as to prevent people from moving 16 from Pine Point if they wish. This is certainly a 17 problem and it's one that this Inquiry is going to have 18 to deal with, and we will be calling witnesses from the 19 company later on in Yellowknife to answer these 20 questions, and I'm sure that it will be one that the 21 Commission will raise then and we'll have to deal with 22 23 it further. 24 THE COMMISSIONER: Thank you, 25 Mr. Carter. 26 Well, anyone else who wishes to speak should feel free to do so, and anyone who 27 wishes to ask a question of these pipeline people 28 certainly may do so. Don't feel that you're confined o 29 the things that have been discussed by the pipeline

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people. Anything that you think has a bearing on this
1
   pipeline project, you're entitled to raise it and I'm
2
   anxious to hear it.
3
                             MR. McCONNELL: Would it be
4
   possible to ask some questions of the Mayor?
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6
                              THE COMMISSIONER: If that's
   all right with the Mayor, it's all right with me, but I
7
   -- did you say you wanted to ask some questions of the
8
9
   Mayor?
                             MR. McCONNELL:
                                              Yes.
10
                              THE COMMISSIONER: Well, as
11
   long as it's about this pipeline project, it's all
12
   right with me, but you feel free to say, "No," Mr.
13
   Mayor.
14
                             MAYOR OSING: If I can answer
15
16
   questions, I will.
                             THE COMMISSIONER:
17
                                                 Excuse me,
   sir, maybe you'd like to come up here and Mr. Mayor
18
   maybe you'd come up here too, then we'll all be -- we
19
   might just swear you in because people who ask
20
   questions often make statements too, and there's
21
22
   nothing wrong with that but --
23
                             LARRY McCONNELL sworn:
                              THE WITNESS:
                                            I have --
24
                              THE COMMISSIONER: Could I
25
   have your name, sir, just before you start?
26
                                   My name is Larry
27
                              Α
28
   McConnell and I have a couple of questions that are
29
   indirectly related to the pipeline. For instance, you
    stated that 500 square miles was a concession.
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that from the Federal and Territorial Government?
1
                              MAYOR OSING:
                                            Yes, I think it
2
          I can't speak on that particular point because
3
   it's a Cominco Limited and Pine Point Mines Limited
4
5
   matter.
6
                              Α
                                   Could you just tell me
   when the concession was given? This concerns -- like
7
   I'm from Fort Resolution, it concerns us. Was there
8
   any type of inquiry as this one is held, or were native
9
   people consulted at all?
10
                              MAYOR OSING:
                                            I have no idea,
11
            I should point out that I didn't come into this
12
   country until 1965 and the facts that I gave were facts
13
   that I've managed to dig up through very old reports.
14
                                   Judge and Mr. Mayor, I would
15
                              Α
   appreciate if you don't want to answer the questions.
16
   Some of them are not right directly related to the
17
   pipeline. For instance, at Pine Point could you tell me -
18
    - like I'm trying to prepare a submission for the Inquiry
19
   when it comes to Resolution, and sane of these things are
20
    important to us could you tell me how many years of ore at
21
22
   present production Pine Point has?
23
                              MAYOR OSING:
                                            I can't answer
24
   that, Judge, a lot of these questions should be direct
25
   to an official of the Pine Point Mines.
                              THE COMMISSIONER:
26
                                                 Do you
   know if an official of the mines, or manager or
27
   something might be here this evening?
28
29
                              MAYOR OSING:
                                            Yes, we have a
30
   person --
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1	HE COMMISSIONER: The
2	questions have a bearing, I think, because the
3	experience in the past with development is something we
4	should know though when we're looking ahead. I think
5	Mr. Waddell said someone from the mine was coming
6	today, but there's not much we can do about that.
7	THE WITNESS: I have just a
8	few more.
9	THE COMMISSIONER: Go ahead,
10	Go ahead.
11	A Could you tell me, like you
12	said the housing situation was very short here, could
13	you tell me whether there were any houses specifically
14	built for native people by the government in Pine
15	Point?
16	MAYOR OSING: In 1970 the
17	Government of the Northwest Territories built 20 houses here
18	under the classification of homes for northerners, and at
19	that time the Commissioner specified that a northerner was a
20	person who had lived in the Territories for three years or
21	more. Now, these homes for northerners were built primarily
22	for northerners, three years
23	or more, working for Pine Point Mines Limited in a training
24	capacity. Now that could be an apprentice, it could be a
25	person that was hired on as a laborer and the potential was
26	there to train him to be a truck driver or something else, it
27	could be a truck driver that looked very, very suitable to be
28	trained to be a general equipment operator, this sort of
29	thing.
30	A Are those houses
•	·

1	presently filled?
2	MAYOR OSING: Those houses
3	have been filled ever since 1970, not by the same
4	people, mind you. We have a waiting list all the time,
5	and the minute a house is vacated, there is another
6	person to put in. We've been after the Northwest
7	Territories Housing Corporation for additional public
8	housing units in Pine Point, but to this point we've
9	had no absolute response.
10	A O.K., I have just one
11	more question. You stated that you would like to see
12	more local northern people employed, and you stated
13	also that you would like to see a training program.
14	Has the mining company presently got under way a
15	training program, particularly for northern native
16	people towards more skilled jobs?
17	MAYOR OSING: All I can say
18	on that is our manager, Mr. Gibney, is currently having
19	talks with the Territorial Government in this area. I
20	can't be any more specific than that.
21	A O.K., then one last
22	when did Pine Point Mines start its operations, which
23	year?
24	MAYOR OSING: 1965 or '63,
25	yes, 1964 actually.
26	THE WITNESS: 1964. Thank
27	you, judge.
28	THE COMMISSIONER: Thank you,
29	Mr. Mayor.
30	(WITNESS ASIDE)
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THE COMMISSIONER: Well, anyone else
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2
   care to say a few words? We'll wait a little while longer
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   because I'm not going anywhere this afternoon.
                              I think I should tell you
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   that if you decide that I'm only staying here today and
5
   then we're going to Fort Resolution tomorrow, and then
6
   Fort Smith, and I won't be back here, but if you decide
7
   in the -- tomorrow or next week or next month that
8
   there's something you want to say, feel free to write
9
   me a letter, just write it to me, write your letter to
10
   me at the Explorer Hotel in Yellowknife, or c/o the
11
   Mackenzie Valley Pipeline Inquiry, Yellowknife, and
12
    just put down in writing anything that you want to say
13
   if you decide in the weeks and months ahead that you
14
   have some views you wish to express. It's perfectly
15
   all right, you're entitled just to send me a letter,
16
17
   that's just as good as a brief that's typed and all
   that sort of thing.
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19
                              I want to ask you about those
   houses, Mr. Mayor. Those 20 houses have been filled by
20
   people who've lived here for at least three, I take it,
21
22
   ever since they were built.
                              MAYOR ANVID OSING resumed:
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24
                              THE WITNESS:
                                            Yes, that's
25
   true, in the Northwest Territories, not specifically in
   Pine Point.
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                              Q
                                   Right, in the Northwest
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   Territories.
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                                   Yes.
                              THE COMMISSIONER: What are
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1	you saying?
2	THE SECRETARY: I was saying
3	they are going to bring some coffee for us if you would
4	like to have a break.
5	THE COMMISSIONER: O.K., well
6	we will have a little break and then we'll resume.
7	(WITNESS ASIDE)
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9	(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
10	(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)
11	THE COMMISSIONER: We'll just
12	carry on for a few minutes, in case anyone else wishes
13	to speak.
14	Do either of you gentlemen,
15	Mr. Mirosh and Mr. Carter, wish to add anything to what
16	you said earlier?
17	MR. CARTER: No, I don't
18	think I've anything to add at this time.
19	MR. MIROSH: Yes, Judge
20	Berger. When I gave a brief overview of the project I
21	had neglected to address the two concerns which the
22	Mayor had. I jotted down some notes in the meantime,
23	so I might add a few things to what I said earlier.
24	One of the concerns was the
25	availability of manpower and how this affects the
26	manpower around Pine Point, and involves the aspect of
27	training as well. I'll try and make a few comments
28	here, and I'll start by talking about training, and
29	then perhaps try and address the impact on manpower.
30	Several years ago when
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Alberta as Trunk Line was studying a gas pipeline 1 project like his one, Alberta Gas Trunk Line started a 2 training program which has evolved since then into a 3 program called Nortran, and Nortran currently has 4 membership of several companies in it. Both Foothills 5 and Canadian Arctic Gas Pipelines are involved in 6 7 Nortran. This is a program which is 8 attempting to train northerners for positions in a 9 pipeline project, should it occur in the north. 10 program has been very successful. There are now 11 between **o and 100 people in the training program, and 12 out of this umber there are about 26 that are on the 13 Alberta Gas Trunk Line pipeline system, taking various 14 types of raining in gas pipeline operations. 15 16 Now just very quickly I can run down where some of these people are from and the sort of work they 17 There are people from are doing. 18 Fort Simpson, Whitehorse, Sachs Harbour, Fort McPherson, Fort 19 Smith, Fort Chipewyan, Yellowknife, Fort Providence, Bathurst 20 Inlet, Hay River, Inuvik, Old Crow, and some other locations -21 - Aklavik as well. This is -- this group of 26 people that 22 are currently on the Alberta 23 Gas Trunk Line system are training for various positions, 24 of which are welder, controls technician, electrician, 25 typists, millwright, measurement technician, and laboratory 26 These are the sort of people that when they're 27 technician. through with their program will either, if they wish, be 28 allowed to stay with the pipeline company in the south or 29 hopefully be encouraged to move back north when the pipeline

project is begun. 1 Following their training and followi 2 the training of these people and of the additional people whic 3 will be brought into the program, the trained personnel would 4 very likely be put into the construction of the pipeline 5 project to work as inspectors or supervisors, in various 6 aspects, and then after construction would move into operating 7 positions with the pipeline company, and they would live in the 8 north. 9 We hope to expand this 10 program considerably when a permit is issued for 11 pipeline construction. In addition to this training 12 program there is also a somewhat complimentary training 13 program run by Nortran as well which deals specifically 14 with training northerners for construction of a 15 pipeline, as opposed to the operation and maintenance. 16 In this area there are some 12 personnel with Alberta 17 Gas Trunk Line currently working in various 18 construction areas. 19 Now in addition to Nortran, 20 21 Foothills is in contact with Hire North which is braining northerners for operating machines for earth-22 moving projects, one of which would be a pipeline. 23 have this summer during some of our field work let a 24 contract out to Hire North for clearing, and we can see 25 that as the Hire North program continues, that 26 graduates of Hire North from various parts of the north 27 would be utilized in a pipeline project, not only as 28 machine operators for clearing, grading and cleanup 29

during pipeline construction, but also for inspectors

and supervisors as well in those areas. 1 Now the question of the 2 impact on Pine Point and other communities is one 3 which, I think a pipeline company has very little 4 control over in that people will, of course, move, if 5 they have the desire and the skill into working on the 6 pipeline project. But I should point out that the main 7 construction periods for the pipeline would be the 8 winter months and to that extent much of the work would 9 tend to be seasonal, probably lasting through part of 10 December possibly, January, February, March, and likely 11 terminating in April, and then again starting the next 12 winter. There would be some work ongoing all year 13 around, but there would be peaks in the wintertime so 14 that people would not be withdrawn from positions for 15 several years in a row but they certainly likely would 16 be during the peak construction periods. 17 Now as to the highway 18 19 question and movement of materials for pipeline construction, it is our plan to utilize the railway to 20 move the majority of materials as far north as 21 22 Enterprise and Hay River. But unquestionably there will be some highway traffic, especially in the 23 wintertime, when the barging season is shut down and we 24 will be moving materials by winter road north of Fort 25 Simpson. So that what I'm saying is that most of the 26 traffic of a highway nature in this immediate area 27 would peak in the wintertime, and would be somewhat 28 reduced in the summertime. 29 30 Now I understand that when

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Premier Lougheed was touring the north recently he did
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   mention that the Alberta Government is giving
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   consideration to paving the highway up to the 60th
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   Parallel in Alberta, and if this is followed through,
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   of course, this will alleviate one of the highway
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   problems.
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                             As far as the highway from
   Hay River towards Pine Point, the traffic on this
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   highway for construction of the laterals will not be
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           The camp will be on the right-of-way. Most of
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   the highway equipment, if not all of it, will be
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   confined to the right-of-way, and the only traffic that
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   we would anticipate would be some truck traffic to
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   bring some materials in to stockpile during perhaps a
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   few months, and then only smaller trucks bringing in
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   groceries and small materials during the actual
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   construction period.
                              So those are some of the
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   things that I wanted to add to what I said before.
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                              THE COMMISSIONER: Thank you,
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   Mr. Mirosh. Anyone have any questions they want to ask
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22
   of the pipeline people? Yes sir.
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                             MR. PETERSON: I'd like to
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   ask a question.
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                              THE COMMISSIONER:
                                                 May we have your
   name, please?
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                             ELLWOOD PETERSON unsworn:
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                              THE WITNESS: Ellwood
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   Peterson. Of the total value of the two different
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   projects with respect labour and supplies, and what
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part of those ultimately stay in Canada? 1 MR. MIROSH: Well, perhaps I 2 could start by saying this. We, as part of our 3 application, to the National Energy Board and to the 4 Department of Northern Affairs, had a calculation and 5 had carried out a calculation and published what we 6 considered to be our Canadian content. That figure was 7 about 87% for this project. The remaining 13% 8 necessarily is primarily in the materials area, such 9 things as the coal to produce' steel in the east for 10 the pipe make up this 13% of non-Canadian content; but 11 our position is that the material which we purchase 12 would to, the maximum extent be Canadian, and that the 13 contractors of necessity would be Canadian contractors. 14 THE COMMISSIONER: Do you 15 want to say anything about that on behalf of Arctic 16 17 Gas, Mr. Carter? MR. CARTER: Sir, I don't 18 have those figures at hand, but I could undertake to do 19 so this afternoon, if we're sitting this evening, 20 respond to it then, if that's all right. 21 22 THE COMMISSIONER: Yes, sir. 23 THE WITNESS: I'd like to ask this training project you're giving the 26 people, is 24 that both Foothills and Arctic Gas together? 25 MR. MIROSH: Well the Nortran 26 Training Program has several sponsoring companies. 27 Foothills is one, Arctic Gas is another, Trans-Canada 28 Pipelines is a third, and the gas producers, I believe 29 as a group, is the other, and in training currently is

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between 90 and 100 people, and the 26 which I mentioned
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   are 26 out of this 90 to 100 that are in training on
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   actual gas transmission pipeline training on Alberta
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   Gas Trunk Line system.
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                              THE WITNESS:
                                            The 26 people
   that you mentioned, are they native northerners?
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                             MR. MIROSH:
                                           They're all from
   the north and I think that about 85% of them are native
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   personnel.
                              THE WITNESS:
                                            Now could you
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   give me an estimate of just how many people you ill
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   have totally involved in the construction of the
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   pipeline if and when it goes through?
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                             MR. MIROSH: Well, I can do
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   it this way. During our peak period of construction,
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   which should occur, under the program that we put in
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   our application, this should occur in about 1977-78
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   winter.
            The peak manpower requirement will be about
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   5,600 people.
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                                            5,600 people?
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                              THE WITNESS:
                              MR. MIROSH: Right.
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                              THE WITNESS: And you have 26
   native northerners in training for 5,600 jobs?
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                             MR. MIROSH: Well, we have 26 ih
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   training currently. This program will be expanded
   considerably once the permit is issued, if it is issued.
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   These 26 jobs, I should point out, are operating and
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   maintenance jobs, not a necessarily construction.
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   separate program for construction which currently has 12
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   people in it.
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1	THE WITNESS: You have 12
2	people in the construction area; are the 12 people
3	native northerners?
4	MR. MIROSH: Yes, those 12
5	are.
6	THE WITNESS: So there are 12
7	people out of 5,600 who are native northerners.
8	MR. MIROSH: Yes, we have
9	those 12, plus the 26, and as I said earlier, it would
10	be our thought to put the people in training who are in
11	training for operations and maintenance into various
12	construction roles as well. This doesn't sound like a
13	large number, but it is a beginning and it has been
14	working, and we intend on expanding it.
15	THE WITNESS: Thank you.
16	THE COMMISSIONER: I think I
17	should say that we are told that the Arctic Gas
18	project, being a somewhat larger project, the number of
19	people employed in the peak winters north of the 60th
20	Parallel would be approximately 6,000. The Foothills
21	figure is 5,600, their project being somewhat smaller
22	in size and in scale.
23	Anyone else have any
24	questions or any comments they would like to make?
25	(WITNESS ASIDE)
26	MR. ACKNEY: May I ask a
27	question?
28	THE COMMISSIONER: Yes,
29	certainly. Give us your name first, sir, for the
30	record.

1	HAROLD ACKNEY sworn:
2	THE WITNESS: Harold Ackney.
3	It would be interesting to know how receptive the
4	native northerner is to your training program in the
5	light that I take it this training program is in the
6	south, have you any training facilities or are you
7	considering training facilities in the northern area?
8	MR. ELLWOOD: We don't have
9	training facilities in the north ourselves, although
10	the producer companies that are involved in this
11	training scheme do have positions in the delta area on
12	the air drilling operations for training. As to how
13	receptive the northern people have been to the training
14	program, we have had a fairly high turnover rate in the
15	program but it was lower than what we expected.
16	THE COMMISSIONER: Can you
17	tell us if you have any way of quantifying that?
18	MR. ELLWOOD: I'm pretty sure
19	now the figure is 40% dropout.
20	THE COMMISSIONER: Annually
21	each year you mean?
22	MR. ELLWOOD: Well, from the
23	total number that have been in versus the number that
24	are still involved, 40% of the total number of people
25	that are registered in the program are now gone from
26	the program. So it has been fairly substantial, but
27	not as high as we expected, given that we knew we were
28	going to take people south to train them.
29	THE WITNESS: Is there no way
30	the people could be trained in facilities in the

Northwest Territories? Could you set up a pilot project 1 in which people could be trained at --2 MR. ELLWOOD: No sir. 3 only way to get on-the-job training on a compressor 4 station is to go to a compressor station or a pipeline, 5 there are just no facilities here that could serve that 6 7 purpose. THE WITNESS: In other words 8 you're saying that you could make a pilot plant or 9 prototype plant whereby people could be trained under 10 simulated conditions; and would this be any more, 11 receptive to the natives? 12 MR. ELLWOOD: Well, one would 13 lave to build in essence a model pipeline here in order 14 in do that. We would simply have to build pipeline and 15 compressor station somewhere in order to provide that 16 17 facility, and this would be a very expensive undertaking or the training simply to be used for 18 training. 19 20 (WITNESS ASIDE) 21 THE COMMISSIONER: 22 LARRY McCONNELL resumed: 23 THE WITNESS: I'd like to ask if that 40% turnover -- and I think you will agree it s 24 25 very large -- have you undertaken any study to determine why there is that turnover? 26 MR. ELLWOOD: The people who 27 manage and run the Nortran Training Program have looked 28 29 at that as best they're able to find out, and we doe have any studies that I know of, no documented or 30

1	written material in that regard; but in discussion,
2	them they have indicated to me that one of the major
3	factors involved is loneliness.
4	THE COMMISSIONER: Homesickness?
5	MR. ELLWOOD: Homesickness,
6	loneliness, yes.
7	(WITNESS ASIDE)
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9	THE COMMISSIONER: The
10	gentlemen ahead of you had a question.
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12	ELLWOOD PETERSON, resumed:
13	THE WITNESS: How many
14	eorating jobs will each of the proposed leave behind
15	once the pipeline has been built?
16	MR. ELLWOOD: Our proposal
17	calls for 250 permanent operating jobs in the Northwest
18	Territories. The breakdown on that, I believe, is
19	about 50 in Yellowknife, 90-91 in Fort Simpson, 50 in
20	Norman Wells, and 60, I guess, in Inuvik.
21	THE WITNESS: Will those jobs
22	likely be filled by northerners?
23	MR. ELLWOOD: A great many of
24	them can, yes.
25	THE COMMISSIONER: Yes Mr.
26	Carter, do you want
27	MR. CARTER: The number of
28	permanent jobs of Arctic Gas is just slightly less than
29	that, as I recall. It's over 200 but not quite 250,
30	the difference being that Foothills has an office in

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Yellowknife that Arctic Gas doesn't propose to have. have a somewhat larger group of people in Fort Simpson, as I recall, with a repair depot there. I think Arctic Gas has a ~tw more in Inuvik because it so services the Alaskan portion, but the same oentresj ide from Yellowknife, would apply in either case -- Inuvik, Norman Wells and Fort Simpson, and the numbers are approximately the same, but as I say, Arctic Gas s just a few persons under Foothills on permanent operations and maintenance staff once the pipeline has been 10 constructed. 11 12 (WITNESS ASIDE) 13 LARRY McCONNELL, resumed: 14 THE WITNESS: Could I ask 15 other question here? You stated the major factor in 16 the turnover of some 40% is loneliness. Now certainly 17 one of the problems if you're going to employ native 18 people in construction again might be loneliness, other 19 words, even if your intent was to employ 100% native 20 people, you are looking at least a rather larger 21 turnover. Has there been anything -- have you done 22 anything in that regard to alleviate the possible of 23 turnover? In other words, if your intent was to employ 24 as many native people as possible, then I would think 25 that based on your experience of the 40% turnover which 26 you would be looking at, probably methods to 27 alleviate the turnover so that you could maintain your 28 native staff? Have you done anything like this? 29

MR. MIROSH: I guess I could

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say we haven't really addressed ourselves to that question, but construction, of course, will have a number of different aspects to it than being in training in the south for operations and maintenance. The first one would be that construction would all be in the north The other one is that the construction season would be short and intense, and to that degree people working on construction would be working longer hours, and they would be working seven days a week practically, except for down time due to weather, and they would be in a camp atmosphere which would have many other groups of people of the same type, so that I don't think that be as much a problem. 13 If I might just MR. ELLWOOD: add one thing to that. The Nortran Program employs 15 16 supervisor counsellor people who -- or guidance counsellors, so to speak, for the trainees in the 17 The. number of supervisor counsellor positions 18 is currently being expanded in order that they can devote more of their time to being with the trainees 20 and trying to help them through the initial period when 22 they are sort of out of adjustment because of their That's being expanded, and it would be our 23 intention to carry that into the north during the 24 construction and operation period here. 25 THE COMMISSIONER: Maybe if you'd just come to the mike. 27 This is plugged into our system and it helps us to establish a permanent record 28 if you speak to the mike. (WITNESS ASIDE)

1 2 ELLWOOD PETERSON resumed: 3 THE WITNESS: Yes, the largest benefit to the Territories will probably be 4 that which is left behind after it's built. Have there 5 been any studies made to determine what it might do for 6 7 the Territories, once built? Will it attract any other industry? Has either party looked into that? 8 THE COMMISSIONER: I think 9 I'll let these gentlemen answer, but Mr. Blair, the 10 president of Foothills Pipe Lines, gave evidence before 11 the Inquiry at length and he said -- and Mr. Mirosh and 12 Mr. Ellwood, you feel free to add anything to what I 13 say -- but what he told me was that once you get a 14 pipeline built up the Mackenzie Valley, from the Arctic 15 to the south, you will get increased exploration for 16 oil and gas along the route of the pipeline. 17 said that he didn't think it likely you would get any 18 industrial development that would he based on the use 19 of natural gas. He said that his experience in Alberta 20 -- he is the president of Alberta Gas Trunk Lines as 21 well as the president of Foothills -- his experience in 22 Alberta was that the industry is at the end of the 23 pipe, that's why you got the pipe, to take natural gas 24 from the Arctic to the south to industry for 25 residential consumers in the south. 26 I'm just paraphrasing that. 27 That struck me you might be interested in hearing what 28 is my understanding of what he said. Do you want to 29 add anything to that?

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MR. MIROSH: Well, I might just add that one of the primary uses industrially of natural gas is in the chemical industry area, for making various by-products, and setting up such a manufacturing facility in the north the people who would set it up would be faced with the burden of transporting that product from the north, and it's the transportation problem and the cost of transporting the product but Of the north which would probably not make it a attractive proposition. 10 THE COMMISSIONER: Now the other thing that said in my opening remarks, Mr. Forte, 12 the president of Arctic Gas, has said that he thinks 13 that if the gas pipeline is built, it is likely that 14 within five years construction will commence on a 15 'second gas pipeline, and that gas pipeline would take 16 about another five years to build. The producers in 17 the delta; Gulf, Shell and Imperial, have announced 18 that they've formed a company called the Mackenzie 19 Delta-Beaufort Oil Line Company -- I haven't got it 20 right, but they've formed a company and they have 21 22 advised the government that they want to build an oil pipeline up the Mackenzie Valley to be completed by 23 1983, so that the evidence we've heard indicates that 24 while a gas pipeline might attract industry, it leads 25 to additional pipelines being built along the same 26 route. That's putting it as briefly as I can, 27 seems to be what we have been told so far. Now we may 28 be told a great deal more in the weeks that lie ahead, 29

but that seems to be where we are at now.

Just before you speak, you 1 2 gentlemen feel free to add anything to what I've said, I have heard some of the evidence that perhaps some of 3 you haven't heard or don't remember, and that's why, I 4 took the liberty of just putting those matters briefly 5 to these people,. 6 7 MR. MIROSH: Well, there are some possibilities for natural gas usage industrial, 8 aside from the chemical one which I have mentioned. 9 One possibility, of course, is, natural gas can be used 10 in refining of metallurgical products, and this would 11 be a positive effect if there was some type of 12 smeltering or refining which could be done in the north 13 as is perhaps being done in Pine Point, I suspect, 14 further north because by refining product, of course, 15 you then tend to relieve the amount of product you have 16 17 to transport south. So this is one possibility which shouldn't be eliminated. 18 The other one is that natural 19 gas for the north could provide a source of fuel for 20 electrical power generation which it would appear to us 21 22 would make power generation possibly less expensive than the current forms of fuel that are being used. 23 THE COMMISSIONER: Yes. You 24 25 had another question? Come to the microphone. (WITNESS ASIDE) 26 LARRY McCONNELL resumed: 27 THE WITNESS: First of all, 28 the mayor is here and he can correct me if I'm wrong, 29 but mentioned smelting in Pine Point, and I find it

very interesting, the judge has mentioned that if the pipeline is built usually the industry exists at the end of that. The same happened with the railroad. The ore is so rich that there's no smelting done here, and no local people employed to do the smelting, and it goes out, so it's very similar to what you're talking about.

The question I have is really or you, judge. Do you know, for instance, you've mentioned there's a possibility of a second gas pipeline and an oil line being built, is the government intending o have another Inquiry for each of those, or are you going to recommend on each one of, those?

THE COMMISSIONER: Well, the government has said this, they've said, "If we go ahead with this gas pipeline, it will mean that other development will come along behind it." So they have said, "Let's take a look at this gas pipeline now and try to look ahead and see what's going to come along behind it," and we're looking at the gas pipeline, in great detail, because it's something that Arctic Gas and Foothills have come forward and they've said, We want to build it."

But we are looking as well at the impact that a second gas pipeline will have, and we will be looking at the impact that an oil pipeline will have; but whether, when I report to the government I'll report on the -- and they have asked me to do this, not only on the impact of the gas pipeline but or the of the development of an energy corridor up the Mackenzie

Valley. Now, that's all I can say because if gas 1 pipeline were built, and in five years they came along, 2 Foothills or Arctic Gas, and said, "We want to build a 3 second gas pipeline," it would be up to the government 4 to decide then whether to have an Inquiry. 5 applies to an oil pipeline, it would be up to the 6 7 government to decide at the time whether they wanted an Inquiry. 8 THE WITNESS: Would the 9 second gas line be as large as the first? 10 THE COMMISSIONER: 11 think that it would be a 48-inch gas pipeline, 48 12 inches in diameter, and it would extend from Mackenzie 13 Delta to the 60th Parallel. I'm talking about Arctic 14 Gas now. Mr. Mirosh, maybe you'd like to say something 15 about that so far as Foothills is concerned. 16 MR. MIROSH: Yes, I might just add 17 that if and when a second pipeline is built, it won't be a 18 separate second pipeline, because the logical way of building 19 extra capacity into any pipeline is to parallel segments of 20 the pipe that are already in the ground with other segments 21 22 of pipe, so that in a sense what one does is the company that's established shall we say as the pipeline company 23 carrying gas south, when it finds that it needs more capadity 24 to carry mere gas, then it would carry out a program called 25 looping the pipeline, which would mean that just within a 26 27 very few feet of the pipeline, which is already in the ground, 28 there would be segments of pipe added to increase the 29 capacity. So it's not an impact like a new pipeline project

would be. 1 2 The oil pipeline, however, 3 would be. THE COMMISSIONER: 4 Excuse me, Mr. Mirosh, I think you've stated that very fairly. 5 You would have your construction program under way 6 again. You'd have perhaps not 5,600 men in your 7 construction crew at the peak period, but you might 8 have something fairly close to that. 9 Is that --MR. MIROSH: No, I would say 10 that's not necessarily true. It would depend on the 11 speed with which one wanted to build the extra 12 capacity, but for instance, in the case of Foothills, 13 the rrty of the fully powered single pipeline system 14 would be 2.4 billion cubic feet a day of gas. Now when 15 that point is reached, if it's reached, and if there's 16 a demand for more gas and if more gas is found, then a 17 decision is made as to how much to increment that 18 capacity, and perhaps for the year following full 19 capacity the decision might be made that the market 20 only requires, say X more cubic feet. Calculations 21 would then be made and it might be that perhaps along 22 the 817 miles of pipe there is only a requirement for 23 50 or 60 or 80 more miles of looped pipe. This would 24 be scattered somewhat equidistant along the pipeline. 25 For instant, perhaps every 50 miles there might be 10 26 miles of loop, and then another 50 miles there would 27 be a single pipeline and for the next 10 miles there 28 might be two pipelines paralleling each other. 29 So that in that sense it depends really on the market 30

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conditions and on the rate of discovery; but looping is generally a very gradual process that's been going on in Alberta since 1956. It's even going on today still, the loop added is quite small generally because the market does not grow in staggering leaps and bounds, so that the impact at some point in time after the pipeline is up to full capacity, although it's hard to judge, require only one construction spread, or two construction spreads in any one season rather than the seven or eight that we're talking about for initial construction the number would be quite a bit smaller. THE COMMISSIONER: you go on, Mr. Mirosh, I think, is guite right to put this whole thing the way that he does, because he represents Foothills; and when I spoke of a second gas pipeline relying upon what Mr. Horte, the president, has had said. It may well be that, as Mr. Horte said, t is likely-- that is the word he used be a second gas pipeline to commence within five years of the first, if Arctic Gas were given the go-ahead because of course they're bringing more gas down, they're bringing gas down from Alaska as well as from the Mackenzie Delta. Foothills, Mr. Mirosh's company, are only bringing gas from the delta and it may well be that the looping program, if they undertook one, of Foothills, would be much less significant than Arctic Gas. You might just mark that passage and what I've just said, because it's something we should take up at the formal hearings because it's a

very important point, whether we're talking a program 1 of constructing one pipeline or two, or if you add in a 2 hot oil pipeline. But Mr. Carter, you wanted to add 3 something. 4 MR. CARTER: 5 Yes. Before we move on, it's my understanding and I believe it was Mr. 6 Horte's intention to state that's the way looping would 7 take place in Arctic Gas. He was pressed to state, I 8 suppose, the worst case of the situation and how soon 9 this could possibly and that's how the five years came 10 But the proposal for looping of the Arctic Gas 11 pipeline is in sections over a longer period of time 12 than the initial construction, similarly to the 13 proposal that Mr. Mirosh has outlined. 14 THE COMMISSIONER: 15 Well, 16 that, Miss Hutchinson, because I don't want to be unfair to Mr. Horte, but I questioned him at length 17 about the subject myself because I thought he was being 18 very fair and very frank with the Inquiry when he gave 19 his evidence on that subject, and I was anxious to get 20 it straightened out. 21 22 Mr. Mirosh, you wanted to 23 something about a hot oil pipeline, and I interrupted 24 you. Well, I was only 25 MR. MIROSH: going to add that there is a difference between looping 26 the gas pipeline, which has been referred to as the second 27 gas pipeline, and with building a brand new oil pipeline 28 because building an oil pipeline --29 30 THE COMMISSIONER: Excuse me,

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28 29 I refer to it as a second gas pipeline because the completion of the program of looping gives you the equivalent of a second gas pipeline, and most people these community hearings don't know what you mean by "looping". So that's why I use that expression, but you carry on.

MR. MIROSH: Maybe I can just get back to that one for a minute. I should really like to emphasize that the process of looping or adding capacity to a pipeline is generally a never-ending situation. In other words, there is normally not a single point in time when you in fact have a second pipeline alongside the first. Perhaps only in an instant in time when you do, and this might be some perhaps ten years after the pipeline is built; but then the next year, if you have markets for gas and if you have further discoveries, you increase your capacity again by looping, by adding a third pipeline in some areas, or a third parallel line. For instance, in Alberta, at the point in Eastern Alberta where the Alberta Gas Trunk Line system ties into the TransCanada Pipeline system, we currently have four looped pipelines side by side, and this has evolved over the last 20 years from a single pipeline, but when you move away from the Saskatchewan-Alberta border going further west, there are areas where there are three looped lines, and as you go further west and north in Alberta there are places where there are two looped lines, and as you get further north there's just a single pipeline. So it's hard to really describe it as a second pipeline. You just have to say you more

1	pipe to the system to increase the capacity.
2	Getting back to the oil
3	pipeline, that is a different proposition in that the oil
4	pipe would be a separate project, would require it
5	would, of course, be a different company, it would likely
6	require a different right-of-way and it would be like
7	building a second gas pipeline except perhaps the impact
8	would be different.
9	THE WITNESS: Could I ask a
10	couple of questions?
11	THE COMMISSIONER: Sure.
12	THE WITNESS: Could you tell
13	me the cost of the initial line?
14	MR. MIROSH: Well, for
15	Foothills the first year of operation on our present
16	time-table would be late 1979 or 1980, and to get the
17	pipeline to that point where it is delivering gas would
18	cost about \$1.8 billion in the Northwest Territories.
19	That's the initial.
20	THE WITNESS: Could you tell
21	me the cost then of the looping or second pipeline?
22	MR. MIROSH: Well, maybe I
23	can add this. It would be difficult to give you the
24	cost of looping, but what I can say is that the \$1.8
25	billion approximately would represent a pipeline in the
26	Northwest Territories capable of carrying 800 million
27	cubic feet a day of gas. Now that pipeline, in our
28	proposal, is built up over five years to a point where
29	it can carry 2.4 billion cubic feet of gas, and at that
30	point the total investment is some 2.3 billion dollars.

But what that gives you is a single pipeline fully 1 2 powered to carry the maximum capacity. Now to loop beyond that I can 3 give you a very rough rule of thumb. The pipeline 4 construction we estimate currently costs roughly a 5 million dollars a mile to install pipe, so shall we say 6 if one looped 20 or 30 miles after it was fully powered 7 and. did nothing else, then one would be talking 20 or 8 \$30 million for construction. 9 THE WITNESS: Arctic Gas, 10 what is your initial? 11 Could I get 12 MR. CARTER: figures for you the same time as I get the other ones 13 for the previous question? They're larger for the 14 purposes that you want to phrase your next question in, 15 in any case. 16 17 THE WITNESS: Do you have any idea, judge, what the oil line would be? Costs? 18 19 THE COMMISSIONER: Oh, I visited the Alaska Oil Pipeline project. The oil pipe-line in 20 Alaska travels 800 miles and is expected to cost 5 point 21 22 -- approximately five or \$6. billion. It travels from Prudhoe Bay south to Valdez. I think that's 800 miles. 23 So if you had an oil pipeline from the Mackenzie Delta to 24 the 60th Parallel, that's something like 900 miles or 25 1,000 miles, and that would give you some kind of com-26 The hot oil pipeline, the one in Alaska over 27 perhaps 75% of its length is elevated, that is it sits on 28 steel supports above the ground. Mr. Mirosh, I think, is 29 quite right, it would have a greater impact than in

looping the gas pipeline -- at least he said a different 1 impact and I think he's quite right in saying that. 2 THE WITNESS: 3 O.K. an energy corridor, and I think Mr. Mirosh mentioned, you know, 4 areas where there are four pipelines. The ramifications 5 of all this, having one pipeline and perhaps another 6 then perhaps an oil pipeline, then an energy corridor 7 which we don't only include relatively, do you --8 THE COMMISSIONER: Well no, 9 the Pipeline Guidelines which the Federal Government 10 has laid down contemplate a transportation corridor, 11 that is if you build a as pipeline then you may have an 12 oil pipeline in the future. They contemplate that 13 there might be in the future a highway which extends 14 now from the 60th Parallel past Fort Simpson, and is 15 16 supposed to reach Wrigley in 1979. The Pipeline quidelines refer to the possibility in the future of a 17 railway, hydroelectric transmission lines, and 18 telecommunications facilities. Now in The pipeline 19 guidelines laid down by the Federal Government, by Mr. 20 Chretien, that is described as a transportation 21 22 corridor. The way things have turned out with the program for construction of the Mackenzie Highway being 23 curtailed, what we appear to e looking at in the near 24 future is an energy corridor rather than a 25 transportation corridor. 26 Now you have, of course, the 27 28 barge system which uses the valley. You have the scheduled aircraft and the private companies in the 29 delta that use the valley for their as a flyway, and 30

there's many species of birds that use the valley as a 1 flyway too, so I suppose it's a transportation corridor 2 is a sound enough expression, but you're focusing on 3 these pipelines, it begins to resemble an energy 4 corridor. 5 (WITNESS ASIDE) Well, I want to thank you, 6 Mr. Mayor, and the others who spoke, and raised these 7 8 questions. I think we all appreciated your outline of the history of Pine Point, Mr. Mayor. I think the 9 questions that the three gentlemen brought up were very 10 good questions, and questions that believe it or not, 11 haven't -- some of them haven't come up before, or just 12 haven't been put as acutely as they were today. 13 So we'll adjourn this 14 afternoon's hearing and we'll come back at eight 15 o'clock tonight. We'll resume the hearing at eight 16 o'clock tonight here in the Community Hall, or 17 Recreation Hall. We'll be back here at eight o'clock 18 tonight and we'll see if people have any more 19 questions. So we will see you then, 20 (PROCEEDINGS ADJOURNED TO 8 P.M.) 21 22 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT) 23 THE COMMISSIONER: Ladies and gentlemen, I'll call our meeting to order this evening. 24 I'll begin by introducing myself and some of the people 25 you see around the hall tonight. 26 I am Judge Berger and I am 27 conducting an Inquiry for the Federal Government into 28 29 the proposal to build a pipeline to bring natural gas from the Arctic Ocean south along the Mackenzie Valley 30

to markets in Southern Canada and the United States. 1 am holding hearings in every community in the Mackenzie 2 Valley, the Mackenzie Delta, the Northern Yukon likely 3 to be affected by the pipeline, if it is built. 4 Now, that's the reason I'm 5 here today. The object is to give all of you who wish 6 7 to an opportunity to say anything you want to about this pipeline proposal. I have invited representatives 8 of the two pipeline companies to come tonight, and they 9 These are the gentlemen at this table over 10 The gentleman in the blue jacket is Mr. Mirosh 11 of Foothills Pipe Lines; the gentleman beside him in 12 the brown sweater is Mr. Ellwood, also of Foothills 13 Pipe Lines; the gentleman in the brown shirt facing you 14 is Mr. Carter, who is here on behalf of Arctic Gas. 15 There are two companies who want to build this 16 pipeline, one is Foothills, the other is Arctic Gas. 17 I should say to you that 18 Foothills proposes, if it wins this contest and gets 19 the right to build the pipeline, Foothills proposes to 20 build a feeder line from the main pipeline into Pine 21 22 Point to supply natural gas to home-owners here in Pine Point, and later on I'll ask these gentlemen to discuss 23 24 that for your benefit. Now Canada and the United States 25 have a great appetite for oil and gas, and that is the 26 why Government of Canada is considering this gas 27 pipeline. But before the Government of Canada decides 28 what to do, they want to know what you think about it, 29 you, the people that live here in the north. That is why

they have sent me here. 1 Now, ultimately it is the 2 Government of Canada, the people that have been elected to 3 govern the country, who have to decide if this pipeline is 4 to be built. But they are in Ottawa running the country, 5 and they can't be here to listen to what you have to say, 6 7 so they have sent me here to listen to what you have to say, and then to make recommendations to them. 8 Now this pipeline proposal we 9 are told, would be the greatest project in terms of 10 capital expenditure ever undertaken by private enterprise 11 anywhere. We have been told by Mr. Horte, the president 12 of Arctic Gas, that it the pipeline is built it is likely 13 that it will be looped, that is that construction of a 14 second gas pipeline will be commenced within five years 15 after completion of the first pipeline. 16 We have been told by Mr. 17 Blair, the president of Foothills, that if a gas 18 pipeline is built it will result in increased oil and 19 gas exploration activity throughout the Mackenzie 20 Valley and the Mackenzie Delta, and we have also been 21 22 told the companies that have found gas in the Mackenzie Delta Gulf, Imperial and Shell -- want to build a 23 pipeline to bring oil from the Mackenzie Delta up the 24 Mackenzie Valley to Southern Canada by 1983. 25 have to take a look at this. 26 I think while they are still 27 with, these mechanical companies to say their piece, it 28 doesn't really matter very much whether what they have 29 to say -- well, it looks like we're back live again, or

whatever the expression is -- but I think, ladies and 1 2 gentlemen, I'll ask these representatives of the pipeline companies to say a few words. 3 They are the people that want 4 to build this pipeline. They represent Arctic Gas, 5 which is a consortium of Canadian and American 6 companies, and Foothills, which is sponsored by Alberta 7 Gas Trunk Line and Westcoast Transmission, and they want 8 to build this line, I've asked them to come tonight so 9 they can tell you what they propose to do and what they 10 say it will mean to you. It doesn't mean you should 11 accept what they say. You should be willing and should 12 feel free to question anything that they say, just as I 13 certainly will myself be keeping an open mind and be 14 prepared to question anything they have to say. But at 15 any rate, if you'd like to start off, Mr. Mirosh. 16 17 MR. MIROSH: Thank you, Judge The company I represent is Foothills Pipe Lines, 18 which is a Canadian company sponsored by two other 19 Canadian companies, Alberta Gas Trunk Line and Westcoast 20 Transmission, who are two of the largest gas transmission 21 companies in Canada presently. The Foothills pipeline 22 project which we are proposing is one which we've been 23 working on for many years. It represents bringing gas 24 from the northern extremities of Canada from Richards 25 Island in a pipeline, which 1s buried below the ground, 26 down the Mackenzie Valley to the 60th Parallel, and from 27 there, there are new pipeline built to connect with the 28 existing Westcoast Transmission Pipeline and Alberta Gas 29 30 Trunk Line pipeline.

The project which we are 1 2 putting forward is one which takes Canadian gas and brings it solely into Canadian markets, using existing 3 systems in Southern Canada to bring that gas as far 4 west as Vancouver and as far east as Quebec City. 5 The pipeline we are proposing 6 is a smaller pipeline than the Canadian Arctic Gas 7 Pipeline, yet has a smaller capacity, it will carry 8 less gas and the costs are less, and the impacts of 9 building it are less. One of our policies is to 10 construct this pipeline with a majority of Canadian 11 materials and equipment and of course labor. 12 The part of our proposal 13 which is perhaps of interest more to Pine Point is that 14 we are proposing to bring gas to various communities 15 along the Mackenzie Valley, and around the Great Slave 16 We have calculated that there are certain 17 communities which we feel can-receive gas for both 18 household use, commercial use, and industrial use, and 19 that this can be done within reasonable economies. 20 fact, our calculations show that we can deliver gas to 21 22 town gates so that it can be consumed locally at costs less than the present fuel requirements. 23 The gas coming into Pine Point 24 would be tapped from our main line around Fort Simpson 25 and a lateral or distribution line would run from there 26 east, dropping some gas off at Hay River, and running up 27 as far as Pine Point. We have calculated that there 28 would be enough gas in the line so that it would be 29 sized to service not only the community here but also 30

the industry here. 1 Now as far as timing and 2 construction of our pipeline proposal goes, we have 3 proposed in our application that the two main 4 construction for the mainline pipeline construction. We 5 1978 and 1979 in the winters. The peak manpower 6 7 required during this period would be some 6,5000 men during these two winter seasons, and the seasons would 8 last for approximately three to four months. 9 THE COMMISSIONER: Excuse me, 10 you said 6,500. 11 5,600, I'm 12 MR. MIROSH: sorry. I was thinking of the other number. I believe 13 Canadian Arctic Gas' requirement is 6,500 men. 14 The lateral running to Pine 15 16 Point would be constructed one year later than the two mainline years of construction. It would be constructed 17 during the winter of 1980, and some of the impact that 18 might affect Pine Point is that in our construction we 19 would propose to have a construction camp which would be 20 working on the lateral which would be located on the 21 22 pipeline right-of-way some 20 miles west of Pine Point. This would be a camp which would house about 250 men, 23 would be functional only during that one winter. 24 25 the plan which we propose, gas would be available to this area in about late 1980 or early 1981. 26 1 think I'll pass the remainder 27 of the discussion onto Canadian Arctic Gas. 28 THE COMMISSIONER: 29 Just before you do that, it is my understanding that

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Foothills claims that if it builds this line it will be
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   able to provide natural gas to home-owners in Pine
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   Point and that the saving to each household on their
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   fuel costs would amount to $500 a year on the average.
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5
   Is that right?
                              MR. MIROSH:
                                           Yes.
                                                 I think I
6
   have a number here specifically for Pine Point, which I
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   could offer, if you wished.
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                              THE COMMISSIONER:
                                                 Yes.
                                                       You
   might as well give us that.
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                              MR. MIROSH: Well, our
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   calculations show that in the year 1985, comparing the
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   costs for fuel and the costs which we project for
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   natural gas, that there could be a saving per household
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   annually of $975 in this area.
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                              THE COMMISSIONER:
                                                 Then
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17
   they're only out by $475.
                              MR. MIROSH: Yes, well there
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   are other communities which would not realize such a
19
   saving, and there are others which would realize a
20
   greater; it does average out to about $500 a household,
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22
                              THE COMMISSIONER:
                                                 Throughout
   the whole of the north, is that right?
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                              MR. MIROSH:
                                           Throughout the
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   north, I might also, add that in our program to bring
   gas to communities, we are proposing to bring gas to
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   those communities which represent about 50% of the
27
   residents in the north.
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                              THE COMMISSIONER:
                                                 All right,
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Mr. Carter. Foothills says that it will provide the

people with a saving of \$975 a year if they build the 1 pipeline. What do you want to tell them about your 2 3 pipeline? Now is my chance 4 MR. CARTER: to give away something that may not he proved in 5 Toronto; I suppose. 6 To begin with, sir, I'd like 7 to say that the Arctic Gas proposal, like Foothills, is 8 to construct a natural gas pipeline and this mild be a 9 pipeline under very high pressure to bring down the 10 large volumes of gas that are in the north. 11 in the case of Arctic Gas the pressure inside the 12 pipeline would be something like 680 p.s.i. Foothills' 13 is somewhat less than that, around 1,200-1,250, I 14 believe, and at 50 mile intervals along the pipeline 15 there would be compressor stations to keep up the 16 pressure all the way down the line. 17 Arctic Gas, however, proposes 18 19 a slightly larger pipeline, 48 inches in diameter, as opposed to Foothills 42-inch, and at least part of the 20 reason behind this is that Arctic Gas proposes to bring. 21 22 gas both from Alaska and the Mackenzie Delta, and the 23 gas from Alaska would be transported up the Mackenzie through Valley Alberta and into United States. 24 from the delta in Canada would be transported along the 25 same line and then go onto Canadian markets. But the 26 policy of Arctic Gas is that only Canadian markets would 27 be served by the Canadian gas and similarly, the 28 29 American gas would all go to the American markets. 30 The line from Alaska would

follow either along the coast close to the shoreline, as marked on the map there, or alternatively, further south through the Yukon-Old Crow, coming over to join up with the line from the Mackenzie Delta. Then it would join up with the line from the delta and follow along in the same pipeline to the south as shown on the map there.

With respect to supplying gas to the communities, such as Pine Point, Arctic Gas has done a study to determine whether it would be economically feasible to supply certain communities along all of the communities along the pipeline route, and it's found that for some communities it is economically feasible, and with others it is not. To say that they would supply all of them irregardless would mean that the ones that were not economically feasible would have to be subsidized presumably by the consumers further on down the line who would pay a somewhat higher price.

The rates charged by the pipeline company are subject to government approval, and Arctic Gas has said that it will leave it up to the government, and if the government says it is part of building this pipeline, "You must supply gas to these communities," they will do so, but they haven't gone the step that Foothills has, and that is, said that they will definitely supply gas to all these communities irregardless. I think that's about all I have to say at the present time about the project, but if there is any other further questions I'd be happy to answer them.

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Perhaps at this time, sir, I could respond to a question that was raised this T afternoon about the cost of the project. The question was about the total cost of the Arctic Gas project, and what portion of that money would be spent in Canada. I'm advised that the total cost of the Arctic Gas project in Canada in escalated dollars is \$7 billion, and of this, roughly 70% will be spent in Canada. Of the 70% spent in Canada, of course, there will be some import content on what is purchased in Canada. might buy some particular goods in Canada, a component of which may have come from outside Canada. So taking that into account, Arctic Gas has determined that of the \$7 billion spent, somewhat over 50% would go to items which are produced entirely within Canada. figures are lower than those given by Foothills but because of the greater cost of the Arctic Gas project I'm advised, that in strict dollar terms Arctic Gas would be spending more money in Canada than Foothills, but the percentage is not as great. THE COMMISSIONER: Well, thank you. Well, I asked these gentlemen to tell you what the pipeline companies propose to do. saying you should believe everything they say. something for you to consider and something for me to consider. If you want to say anything thing to me about this pipeline project now, just feel free, and you don't have to discuss the thing these gentlemen have raised. There e environmental questions, questions relating to the social and economic impact of the

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pipeline, questions having to do with native rights and so forth, and you should feel free to raise any of those or to talk about the impact on Pine Point itself. I'm here to listen. If you want to ask any questions of these gentlemen or me, for that matter, I'll do my best to answer and so will they. I should say that we held a hearing this afternoon and we heard from the Mayor, and from some others who asked a number of very worthwhile questions, and we'll be happy to hear from any of you tonight who wish to raise anything. Yes Mr. Mayor? MAYOR ANVIL OSING resumed: THE WITNESS: Judge Berger, for the benefit of those Pine Pointers who weren't able 15 to attend this afternoon, I think I'd like to just pass 16 on a few remarks that I made this afternoon, and those 17 remarks are in the area of what the Town Council considers a concern. One of the primary concerns regarding construction of a pipeline is the fact that 22 we'll probably see a great deterioration in the Mackenzie Highway. It's bad enough as it. 23 is at the present time, and with the huge volume of freight that will be passing over that highway, it will go to ruin 25 in short order. We suggested this afternoon that these 26 companies could in fact use the services of the 27 railway to bring these materials to Pine Point, from 28 there on there's really not much worry. 29

I also expressed concern the

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fact that we would probably be losing some of our
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   laborers, some of our work force, I should as an after-
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   thought, I don't wish to give the impression that I
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   want to tie everybody down to Pine Point, can move
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   around as they see fit, but I am concerned in that
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   respect. It was indicated today by one of the pipeline
6
   companies that the movement of freight on the Pine
7
   Point-Hay River Highway would probably be very minimal,
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   so we couldn't see too much damage to the Pine Point
9
   Highway. For the benefit of the Pine Pointers here,
10
   these are -- were my two main points this afternoon.
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12
   Thank you.
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                              THE COMMISSIONER: Thank you,
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   Mr. Mayor.
                              (WITNESS ASIDE)
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                              THE COMMISSIONER: Yes,
                                                       sir.
16
17
                              MR. REED: Could I use the
   mike? -
18
19
                              THE COMMISSIONER:
                                                 Yes,
20
   please do.
21
                              MR. REED: Yes, you can hear
22
   me?
23
                              THE COMMISSIONER:
                                                 Yes,
24
   certainly.
                              CLIFF REED sworn:
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26
                              THE WITNESS: Cliff Reed is
             I've been a resident of Pine Point for
   my name.
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28
   11 or 12 -- 10-11 years now. In regards to His Honor
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   Mayor Osing's remarks about the damage to the Pine
   Point Highway, I don't think that a half ton truck
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empty could do much more damage than has already been done to it.

I remember myself and my family have spent most of our life, our adult -- my wife and I spent most of our adult life in the north except for a few years that we spent in Edmonton. remember another debate of this nature going on in the late '50's the debate was whether a railroad was going to b built from Fort McMurray -- Edmonton-Fort McMurray to Fort Smith, or whether it would be built from Peace River-Hay River-Pine Point. There are a lot of parallels between the debate that is going on now and what place then, except that there is economically and politically speaking, and in every other way, there is a great deal more money involved now than there was then, but the principle behind both considerations are the exploiting of natural, non-renewable natural resources out of the north. As it turned out, I don't think it really made too much difference whether the ore from Pine Point was taken out through Hay River, High Level, Peace River, or whether it was taken out to Fort Smith, Fort McMurray, Edmonton. The main thing is it was taken out in its almost natural form with the consequent small and almost insignificant development of economic life in the north. A work force of between four and 500 people are taking out what has been lost track over the years but it numbers into the hundreds and millions of dollars taken out of the Northwest Territories, out of Point in product from Pine Point, and we haven't -- there has been no

significant return into the north cause of that product being taken out.

We have a small community at Pine Point, what is considered as the model community Pine Point, there's no doubt that it is model, there no unemployment, there is no outside back houses, is a bathroom in every house, a bathtub, a shower in every house. These are things that I'm afraid all people of the north really truly want, regardless of their background.

We have now this Inquiry that you're conducting in a most honorable and a most -- in truest manner that we know of. It's exceptional. We think that its exceptional. But we think, some of us think that we're looking at the same thing again -- a non-renewable resource that's going to be taken out id again in comparison to the almost uncountable economic, in terms of economic units, hundreds upon hundreds of millions of dollars and billions of dollars worth of product is being taken out. I remember just a few weeks ago in a session that you had in Fort Simpson there was talk of permanent employment of 90 people.

90 people out of a whole community of possibly maybe 1,000 employable, that doesn't speak that, much for the development of a pipeline in the north.

The gentlemen say that they want to take the gas out. I have to be, as an individual, I have to support the idea of Foothills and their idea of supplying a form of energy outside communities, say, for example, Pine Point; not only to just to supply us in

houses gas, not only just to supply Cominco, but also to 1 supply something else, possibly the development of 2 secondary industries in this part of the country. 3 What will be doing if we 4 don't do this, if we just depend only on secondary or 5 less than secondary little feed lines coming into Hay 6 River or Pine Point, we'll be letting all our industry 7 that could be generated in the north go south, to the 8 benefit of people outside or in the south who really don't 9 care that much about what happens to us. 10 There's a lot of us up 11 here, sir, who are very much concerned about the 12 development of society in the north, a development 13 of a political entity in the north. In other words, 14 provincial status within the Dominion, 15 Confederation. We're very much concerned about the 16 development of industry, primary industry, and from 17 there try to work into second industry and the 18 service industries below that. 19 But as long as we keep 20 continually concerned about the exporting and the 21 22 taking out of our natural resources, whether it be in the form of furs, fur, oil, gas, whatever it is, we are 23 not going to get anywhere. We can agree that the 24 Foothills Pipe Line proposal is the bet, or that the 25 Canadian Arctic Pipeline proposal is the best in the 26 interest of financial concern for Canada, international 27 financial concern for Canada. I believe that before a 28 decision can be made, really made, on which a proposal 29 is valid, or indeed rather, either proposal is valid,

Territories have to taken into consideration, and by that I mean the indigenous people, the native and the Metis people, the white people who have been here all their lives, the white people that are moving in. I know it's something that's not easy to arrive at, and I can say that that I don't envy you your job of making a recommendation to our legislative bodies; but it is a serious problem. With all that, I say thank you THE COMMISSIONER: Thank very much, sir. (WITNESS ASIDE) THE COMMISSIONER: Yes sir? MIKE MILAN, sworn: THE WITNESS: Your honor, this is the first time in my life that I could speak to a judge. Usually I have to plead guilty, THE COMMISSIONER: Could you give me your name, just before you — A Mike Milan is my name, M-I-L-A-N. Q Thank you, sir. A Do you mind if I take off my jacket? Q No, not a bit. A I don't mean to fight you, but I just take my jacket off. Your honor, I'm a Territorial	1	the interests of the people of the Northwest
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22 M-I-L-A-N. 23 Q Thank you, sir. 24 A Do you mind if I take 25 off my jacket? 26 Q No, not a bit. 27 A I don't mean to fight 28 you, but I just take my jacket off. 29 Your honor, I'm a Territorial	20	give me your name, just before you
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you, but I just take my jacket off. Your honor, I'm a Territorial		
Your honor, I'm a Territorial	26	Q No, not a bit.
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	27	A I don't mean to fight
30 worker. I believe that the working people in	27 28	A I don't mean to fight you, but I just take my jacket off.

Territories, organized or not, should have some say in a project of this kind. I, for example, believe that the native question will be settled for benefit to all, so that it no longer worries them. This is the first objective.

Second thing, what does the pipeline mean to me as a Territorial worker? It means it is a highway to transport the gas or probably oil from one point to the other, by-passing the Territories? It doesn't matter to us at all whether we go to Edmonton or Seattle or some place in United States. It really doesn't matter to us as Territorial workers. It's just that we, as Territorial workers,, should have something for ourselves going up here- I believe that there is about 90% of the people in Northwest Territories which are working people, whether they're natives, whites, or whatever you want to call them.

It would, on the basis of these things, have some meaning if we would have established or the pipeline, and to me truly it doesn't mean much whether one pipeline or other, they are all capitalists which are trying to make money; but what about me as a Territorial worker? It would nicer if this pipeline, whoever gets it, and it eve happens, it would mean to me, as a Territorial worker some sort of an established second industry so that all people could be employed, they would pay civil taxes, and we need the money to build our own highways and airports and whatever we want to do in this country, like anybody else.

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Things are happening fast, mistakes have been made, and I don't think the Territories should be able or should afford or could afford to make the same mistake. Again, I think we should not repeat the mistakes of the past. I'm only 28 years in this country, but I know quite a bit what has happened, and we have another chance to build the Territories as another province. Mistakes has been made in the past, whether in Alberta, Saskatchewan, Ontario, wherever, and put things in perspective for the benefit of the people, not the benefit of the big business. I don't believe in that. It is the responsibility of the government and industry and the people in general to accomplish these things. How this is going to work out, I don't really know. I am only working man, I'm not a developer, and I'm not the business man, I'm not a government employee so I don't know. I work for the mine and that's it. For one thing, I can't see that if people of. this Territories are prepared to give away their own natural resources, irregardless of the provincial status whether their provincial status or not I don't think they should This is the only thing we got in the Northwest Territories, is the natural resources, and those resources should benefit us, and then the government or send it to our government or whatever it is; but we come first. It is our own property. I also believe that this project at this time should be nationalized for the

reason that I know so many nations --1 2 THE COMMISSIONER: Excuse me, 3 I'm sorry, I missed something you said. The projects should be what? 4 Nationalized. 5 Α 6 Yes, all right. 0 7 Α For the reason that so 8 many nations went to war to protect their own natural resources. Yet it appears to me that they're going to 9 give it away, just get it out of here and we have no 10 problems. On that point I may be wrong, but I really 11 believe that our nation depends on the natural resources 12 and the natural resources belong to the nation, it 13 doesn't belong to the companies, it don't belong to 14 anybody else. Like I said before, I know nations who 15 went to war to protect their own natural resources, and 16 17 we have, for example, the Arabic oil contest there, and they got-it made. Why can't we do it? 18 19 That's again a subject for argument, and another time, but that's my personal 20 21 opinion as a working man. 22 On the other hand, whatever will be done will be done, at least we have something 23 to say, like myself at the mike here, something to say 24 and the opportunity to say and bitch about. But the 25 consequence of the future, not only in the Territories 26 but other countries should be considered. 27 28 I appreciate the people who fight for their cause, and so many people in the 29 Territories who really fight are the Indian people. We 30

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just follow the leaders, whoever they are. Control of
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   our own business should be conducted in our own country
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   and this is the primary case which will come probably
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   not this year but two years from now.
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                              If this gas pipeline will
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   have any meaning at all, it concerns the people then
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   the people should have something to say. If the
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   pipeline is going to go through regardless of what
8
   anybody says, then to me as far as I concerned either
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   pipeline, it don't really matter, they're just after
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   the money, then we're going to suffer. And Territories
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   has a future and if you wouldn't mind to say is the
12
   best bread-basket of the country in terms of the
13
   natural resources, the people should have something to
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   say.
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                              So your honor, I'm sorry I
17
   bother you, and that's all I have to say.
                              THE COMMISSIONER:
18
                                                 Thank you,
19
   sir, very much.
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                              (WITNESS ASIDE)
21
                              THE COMMISSIONER: If anyone
22
   wishes to say anything or to ask a question, please
23
   feel free. Yes sir?
24
                              JIM CHALMERS, sworn:
25
                              THE WITNESS: Justice Berger,
   I'd like to make a couple of comments on the speeches
26
27
   that have gone before me.
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                              THE COMMISSIONER- Would you
    just give me your name first, sir?
29
30
                              Α
                                   My name is Jim Chalmers.
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Mr. Reed used the word "we" quite freely. I'm in the 1 business of primary resource development and I'm 2 certainly not going to do anything to discourage it. 3 So I feel Mr. Reed is not speaking for "we", he's 4 speaking for some of them. 5 6 The other thing is Mr. Milan commented on nationalizing the pipeline. 7 I feel that the Government of Canada has demonstrated their complete 8 inadequacy of running any operation, and I don't think 9 nationalization is a very good idea for a pipeline. 10 Thirdly, I'd like to ask the 11 chap from Arctic Gas, you're handling 48 inches of gas, 12 eh? 13 MR. CARTER: That's right. 14 How come Foothills, with 15 Α their lower volume, can find it economical to pipe gas 16 into small communities where Arctic Gas can't? 17 MR. CARTER: Well, as I under 18 stand it, it's only economical in the sense that where 19 the costs of bringing the gas to a community arc 20 greater than the return they get for doing so, the 21 22 money lost there will he passed onto some other consumers elsewhere and they will, have to make up the 23 difference. Arctic Gas says that this is one of the 24 factors that has to he taken into consideration amongst 25 a number of others, and is it the only solution, or are 26 other solutions such as instead of spending all the 27 money to build a supply line to Pine Point, for 28 example, with whatever impact that has, instead of 29 spending at money on putting this pipeline in the 30

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ground perhaps it might be better just to subsidize the present fuel supply. So that there are alternatives to be considered, and they say Arctic Gas says it's not to them to make that decision, but they'll put their cards on the table to the government and let the government decide. Α I can't see Arctic Gas subsidizing other fuel supplies in Pine Point. MR. CARTER: No, I'm saying e government might do so, or -I can't see the government subsidizing Cominco either. That's my own opinion. MR. CARTER: Well, I don't know, you'll have to ask Foothills if they intend to apply to Cominco at a subsidy. Α Well, it seems to me if they put a feeder line into Pine Point it would be fairly obvious that they would be supplying Cominco. Am I not correct? MR. MIROSH: Yes, we would, providing that it was wanted in the community and by Cominco, we would put in a feeder line of the appropriate size to bring the required quantity here. Α Well, on a project of is magnitude, f\$7 million dollars or whatever you're paying, certainly bogs the mind, what sort of rate of turn are you looking at on this project? MR. MIROSH: Well, return for pipelines is regulated. Its a utility. Its in keeping with just enough to ensure that you can pay off your

debt and pay back the at their dividend, and put some 1 money back into the company. The very fact that its 2 regulated indicates that there is no vast amount of 3 profit that is made. 4 Why is everybody so 5 Α anxious to do this then? 6 MR. MIROSH: Well, the companies 7 that are sponsoring Foothills are pipeline companies, two 8 of the larger ones in Canada, and that's our business. 9 Thank you. 10 THE COMMISSIONER: 11 Just one thing. You raised a couple of good questions. I think 12 Mr. Mirosh, Mr. Chalmers asked you if Foothills will be 13 subsidizing not only the home-owners at Pine Point if 14 get the go-ahead to build this pipeline, but Cominco as 15 well. Would you supply Cominco with natural gas at 16 rates that would constitute to Cominco a saving in same 17 proportions as the ordinary home-owners' saving of \$975 18 a year here in Pine Point? 19 20 MR. MIROSH: Well, that would depend on the current fuel source which Cominco uses 21 22 and how this compares to that which the home-owners 23 use, but if the prices were the same, the effect would 24 be the same. 25 THE COMMISSIONER: Mr. Chalmers, the Foothill proposal is essentially that since people in 26 Southern Canada, in Toronto and so on will be using 27 this gas to heat their homes, that in effect they 28 should subsidize the people who live here in Pine 29 Point, and maybe heat their homes too, so that the

1 I	people in Southern Canada would pay a little more, each
2	of them so that the people here in Pine Point would pay
3	quite a bit less, each of them. That's the way the
4	thing works as Foothills has proposed it, at least as I
5	understand it.
6	A Well, it seems kind of
7	strange. We choose to live in Pine Point.
8	THE COMMISSIONER: Well,
9	that's
10	A Anyhow thank you.
11	THE COMMISSIONER: Well,
12	thank you, Mr. Chalmers.
13	(WITNESS ASIDE)
14	THE COMMISSIONER: Yes, sir?
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16	JIM BOLMER, sworn:
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18	THE WITNESS: My name is Jim
19	Bolmer. I've got one question for Foothills. You
20	mentioned, I believe, that the distribution of this gas
21	in Southern Canada would be all the way from Quebec
22	City in the east to Vancouver in the west, did you not?
23	MR. MIROSH: Yes, that's right.
24	A That would require the
25	building, as far as I understand it, of a pipeline from
26	Sarnia, Ontario, to the east. Have you costs that have
27	given for the building this pipeline from the Mackenzie
28	Delta to join up with the pipelines in Alberta, also
29	would take into account the building of this pipeline
30	in Ontario and Quebec.

MR. MIROSH: Well, there are 1 2 existing pipelines, existing distribution companies in the east which service these markets. Perhaps you're 3 referring to the oil pipeline. 4 5 Yeah, O.K., that's probably the mistake I am making. There are pipelines, 6 7 in other words gas pipelines at present which do connect western and eastern Canada, 8 9 MR. MIROSH: Yes, there are, All right, thank you. 10 I would imagine I'm in about the same position that Mr. 11 Chalmers, the former speaker, is in. I'm also a person 12 who is involved in the natural resource industry and 13 feel that there should he no impediments put in way of 14 the building of this pipeline. I even go so far as to 15 think that these hearings are basically a waste of 16 I believe it was the former Minister of Northern 17 Affairs who on television said it was not a matter of 18 whether or not a pipeline will he built, merely a 19 matter of when and who will build it. 20 With the situation of the so 21 22 called energy crisis, which has been shown in all the medias to be a bunch of hokum for the most part, but I 23 do believe that in the future and they project in 1980 24 the Province of British Columbia will be very, very 25 short of energy, and much of the rest of Canada is 26 going to be in the same boat. We're going to be 27 depending on a greater and greater amount of oil and 28 natural gas from foreign markets. I think it's about 29 time we got our rear ends in gear and started supplying

it to ourselves. The longer that is spent before we get around to doing this, the worse shape we're going to be in, the more it's going to cost to build the pipeline, the more it's going to cost to purchase the gas when it does come to us.

I can't see the efficacy wasting any more time. The decision should be made by the government obviously to build this, to get under way, to decide who's going to do it, and get to it and at it right now. As for some of the earlier speakers' remarks that big business in the north has contributed very little as per the amount of money which has gone out, it depends, I would think, on how you look at it.

Actual dollars returned are probably fairly minimal; but the benefits to the areas which they operate have probably far outweighed actual dollars they could put back in. I use for example the railway which now comes into Pine Point and Hay River as well. That railway would never have been built if Pine Point had not come into existence. I shouldn't say "never". It wouldn't have been build now.

The service that railway provides is not just to Pine Point, it is also to Hay River. I would imagine it has resulted in far better service as far as freight into the north than the highway could have provided. The volume of goods that must be moved through Hay River every year that supply all the communities in the north is mind-boggling in itself. The railway has meant these goods can be moved quickly, relatively cheaply, and everything that has to get up

that Mackenzie River during summertime can get there. 1 There is the odd little shipment gets held up because of 2 ice at this time of year, but that is relatively minor. 3 I think the government, in 4 considering the building of this pipeline, and it will 5 be built , should also consider building a highway and 6 encouraging the building of a railway along the same 7 corridor. This, as the railway to Hay River has done, 8 should provide goods cheaper, quicker, and on a year 9 round basis, which is not the case at present. 10 communities in the far Arctic must get all their goods 11 in in four months during the summer when the river 12 traffic can operate. If the railway was built right to 13 the Arctic Coast, these communities all along the 14 Mackenzie River right up to Inuvik, Tuk, and so forth 15 could be provided year-around with all their necessary 16 I think in this way the problem of other 17 businesses, shall we say, or more permanent employment 18 could be partially remedied. If you build a highway all 19 the way from here to Inuvik there are obviously going to 20 have to be such simple things as gas stations, rest 21 22 stops, hotels,, motels, etc. etc., which would have to be or would be built along the highway. The same thing 23 goes with the railway, there would have to he unloading 24 facilities and all the rest of the rigmarole that goes 25 with a railway all the way along its line. 26 In this way people in the north would be provided with 27 28 permanent employment on a long-term basis. 29 If only a gas pipeline is built, I can't see the objection. Very few people in

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the north would benefit in the long term; in the short term, sure, there'd be fortunes made up here. Look at the Alaska Pipeline they're building right now, the people are making absolute fortunes over night working on that thing. But when they're finished where is everyone going to be? Those of us who choose to live in the north, and although we may complain very strenuously about our situation in the north here at times, the weather and everything else that goes with it, we are here because we, most of us, choose to be here, and quite a few of us would like to remain for a long, long time. It would be, I think, beneficial if we had long-term employment in the north. There is quite a bit of dissatisfaction amongst the native people, which I don't think is going to be easily remedied in any way, or form; but certainly a little bit of consideration on the long-term benefit would certainly help, and I think this is where the government can have their effect by building the highway -- that's the government's responsibility -- and encouraging the building of a railway. Now the C,N. is a Crown corporation, and the government can certainly wield its weight there with a fair degree of ease. I would hate to see it be a short-term thing. I like the Foothills proposal because, 27 as people before me have said, it does provide for some consideration for the northern communities.

supply natural gas. Now, Foothills has also said that it

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would result in a savings in the neighborhood of $975 a
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   year to homeowners here in Pine Point.
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                              I can go along with that
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            I imagine they've done quite a bit of work
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                       The only thing I question is whether
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   arriving at that.
   or not the cost of converting all of our present means of
6
   cooking and heating buildings and so forth and so on has
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   been taken into account. Right now all of the houses,
8
   the apartments and so forth, are all heated by fuel oil.
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   There would be some cost in converting them all. All of
10
   our cooking and so forth is electric. If they were to go
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   as far as to save us in that respect, we would have to
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   convert from electric to gas stoves, the whole shooting
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   match. That's going to result in quite a bit of cost to
14
   somebody, and I don't imagine Cominco is going to buy me
15
   a gas stove other than the electric one I already have.
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   So I think that should possibly be borne in mind in the
   so-called savings of $975 a year.
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19
                              That's all I have to say.
20
                              THE COMMISSIONER:
                                                 Thank you
   very much, Mr. Bolmer.
21
22
                              (WITNESS ASIDE)
23
24
                              THE COMMISSIONER:
                                                 Well, anybody
25
   else who would like to say something -- yes sir?
                              MIKE SANTOS sworn:
26
                              THE WITNESS: Mike Santos is
27
   the name, your worship.
                             I have a few questions
28
29
   directed primarily to you, your honor.
30
                              Exactly what is your role of
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this Inquiry, or is there a role of this Inquiry in the 1 formation of the final decision to build or not to 2 build the pipeline? 3 THE COMMISSIONER: 4 I'm sorry, there's somebody coughing and somebody else dragging a 5 chair across the floor and I didn't quite hear that. 6 7 Do you mind repeating it? Α I would like to know, 8 your honor, what is the role of this Inquiry in the 9 formulation of the final decision to build or not to 10 build a pipeline? 11 Well, what the 12 Q government has said is that if they build -- if they 13 allow Arctic Gas or Foothills to build a natural gas 14 pipeline up the Mackenzie Valley, they have said that 15 this will be a decision of great importance for the 16 north., and we have been told that it is likely that a 17 second gas pipeline would be built, if a first one were 18 allowed. We know that the producers in the delta want 19 to build pipeline, so the government has said, "Let's 20 take a look at this," so what they said to me was, "you 21 go in there and come back and tell us what the impact 22 would be on the Yukon and the Northwest Territories if 23 the gas pipeline were to be built." 24 25 Now these two companies -and that's what I'm here for, I have to report to the 26 government on what, the impact would be here in the 27 Northwest Territories on the environment, on the towns 28 l and the villages, and the settlements, what the impact 29 would be on the native people and the white people,

what the impact would be on the economy of the north. 1 Now that's what I'm supposed to do and that's why I 2 came to Pine Point, so that you people would have a 3 chance to have your say about all of this, because you 4 live here, you know more about the north than a lot of 5 people sitting around a table in Ottawa know, and 6 7 that's why I wanted to hear what you had to say. Now then what happens is these 8 two companies, Arctic Gas and Foothills, they have to go 9 to the National Energy Board, and the National Energy 10 Board will begin its hearings later this month, and they 11 have to persuade the National Energy Board that the gas 12 is needed in Southern Canada, and then they have to 13 demonstrate to the National Energy Board that there's 14 enough gas in the Mackenzie Delta and the Beaufort Sea 15 to justify the pipeline being built. 16 Then the Federal Government 17 will have my report, which shows what the impact will 18 be on the north, and my recommendations, and then the 19 Federal Government will have the Energy Board's report 20 about Canada's need for natural gas, and the supplies 21 available in the Arctic, and then the Federal 22 Government with both reports before it will decide. 23 Now the Federal Government 24 decides this. The Prime Minister and his colleagues 25 in the Cabinet who are elected to govern the country, 26 they're the people that have to make this decision, and 27 that's the way it ought to be in a democracy. 28 have been elected to decide these things and this is 29

something they will have to decide when they get my

report and the report of the National Energy Board, and I should say that this Inquiry has been holding hearings now for six months.

The National Energy Board, and there's a reason for that, I said we'd visit every community in the north likely to be affected by this pipeline to hear what everybody had to say, and that's what we've been doing because the Government of Canada has said, "We don't want to decide this in a back room in Ottawa; we want to hear what the people of the north think of that." So they sent me up here.

They are running the country in Ottawa, they can't all come here and listen to you, so that's why I'm here. But my role is to give you a fair hearing, to hear all points of view from white people, from native people, from people from Old Crow in the Yukon down the Mackenzie Valley to Pine Point right down to Fort Smith, and then to make my recommendations to the government; but the Government of Canada has to decide. That's a kind of a long-winded answer, but it's the best I can do tonight, I think.

A In short, your honor, what you are trying to say -- pardon me if I'm wrong is that the government has not decided yet to build a pipeline.

Q The Government of Canada has said -- Mr. McDonald who is now the Minister of Finance was the Minister of Energy until a week or two ago -- he said in the House of Commons that the government would not go ahead and decide, they wouldn't

decide whether to build the pipeline until they had my 1 report and the report of the National Energy Board, and 2 under the law of the country they can't go ahead until 3 they have the report of the National Energy Board, 4 which hasn't even begun its hearings yet. 5 So the government has said, 6 "We will wait for the Berger Report and we'll get the 7 National Energy Board Report, then we'll decide." 8 That's their job. That's why 9 they were elected to make these decisions, and they 10 have for the first time in our country's history, they 11 said, "Well, let's find out what the people who live 12 there think." That's why they sent me here. 13 Somebody said earlier that 14 the hearings are a waste of time. Maybe they are, I 15 don't know; but the alternative to that is for the 16 people in Ottawa to decide this themselves without ever 17 asking you whether you have any opinions, without ever 18 finding out what you think. This is a pipeline that 19 will be the most expensive undertaking in history by --20 in terms of the capital that is being spent by the 21 22 companies involved, and if the government had not appointed an Inquiry to find out what you think, the 23 people who live all through the north, it may be that 24 some people might have criticized it. But anyway, 25 that's another matter. 26 27 Α My next question would be directed to any of the two companies now that are 28 If they succeed in building any of their 29 pipelines, how long do they expect to keep the pipeline

in operation before the reserves are exhausted? 1 THE COMMISSIONER: 2 That's a 3 good question. MR. MIROSH: Well, that is a 4 good question. We have had consultants for our company 5 run calculations on projections for reserves on the 6 Mackenzie-Beaufort area, which is the area we would be 7 tapping, and they tell us that the reserves there can 8 be expected to be in the order of some 35 trillion 9 cubic feet. Now the current proven reserves -- in 10 other words, reserves that people have established are 11 there -- are around 6 1/2 to 7 1/2 trillion cubic feet, 12 and on that basis we feel that we can build the 13 pipeline. But the reserves in the order of 30 to 35 14 trillion cubic feet would guarantee quite a long period 15 of delivery, depending on the quantities taken, it 16 could be some 30-40-50 years. 17 I might add that our consultants 18 have tended to be conservative in their predictions. 19 Canadian Arctic Gas Pipeline consultants predict something 20 like 50 trillion cubic feet. 21 22 THE COMMISSIONER: Well, how long will your pipeline last, Mr. Carter? 23 Sir, I don't think 24 MR. CARTER: anybody can really say today how long it will last. 25 depends upon how long the reserves are there. 26 understand it, to finance a pipeline you should have 27 reserves to enable the pipeline to continue operation for 28 about 20 years, and the way that Arctic Gas looks at it, 29 it will be in operation for at least 20 years but it 30

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could very well be 50 years or many more, depending upon
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   how much reserves there are.
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                              THE COMMISSIONER:
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                                                 What do
   you say in, your application, 20 years or 30 years?
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                             MR. CARTER:
                                           I can't recall,
   sir.
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                              THE COMMISSIONER:
                                                 What did
   you say, Mr. Mirosh?
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                             MR. MIROSH:
                                           20, I think.
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                              THE COMMISSIONER:
                                                 20? I think
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   both companies said 20 years when they filed their
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   documents with the Inquiry and with the National Energy
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   Board
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                                   It is my opinion,
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   therefore, your worship, that since the life of the
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   reserve is finite, very finite, it's within our
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   generation, that the benefits from this pipeline is of
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   very short-term, like Jim Bolmer said after the pipeline
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   is built some people may make fortunes, but that' the end
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   of it. When you think that a railroad, we have a longer
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   -- we'll have longer and better benefits to the north
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   than the pipeline., and is there an Inquiry or a study, a
   comparative study of these two matters of transporting
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   the pipeline? Has there been a study initiated or is
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   anyone contemplating to have a study of that nature?
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                              THE COMMISSIONER: Yes, the
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           has carried out a very extensive study of the
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   C,N.R.
   idea of building a railroad to bring the gas from the
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   Arctic to the south. This Inquiry, my Inquiry, is only
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    about a pipeline for the reason that we've got these
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two companies that want to build a pipeline. Nobody 1 has come forward and said they want to build a 2 railroad. The C.N.R. hasn't said they want to build a 3 railroad to the Arctic; they've just carried out a 4 study that has been published, and it's been made 5 available. There's nothing secret about it. 6 7 very lengthy and voluminous study. The National Energy Board 8 will consider whether there should be a railroad build 9 to bring the gas out instead of a pipeline; but bear in 10 mind that their consideration will be limited to her 11 the railroad should be built to bring the gas out, not 12 whether a railroad is the best thing to build for the 13 north in the years to come to bring minerals out and 14 bring food and supplies in. That will be the argument 15 there, but let me be frank with you. I have no 16 authority to consider whether a railroad should be 17 built instead of a pipeline, because there's nobody 18 here that wants to build a railroad. Nobody has come 19 here and said, "I've got \$7 billion, let me build you a 20 railroad." They've said they want to build a pipeline. 21 Since the C.N. 22 Α 23 government controlled, does the government have or do they have any plans to extend a railroad from Hay River north? 24 THE COMMISSIONER: Well, they've 25 done a study of extending that railroad to the Arctic, 26 Hay River to the Arctic; but that's as far as it goes. 27 They haven't said, "We want to build a railway." That's 28 29 about all I can tell you. 30 Α One last comment, your

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honor. Energy, oil and gas as forms of energy is a very good asset for an industrialized nation like Canada, and the reason why Canada survived intact from the recent energy crisis -- and we have some more of those -* as the energy resources of the world are exhausted it is a very good asset for an industrialized nation like Canada to have a good reserve of energy in the form of gas and oil and coal. There are only a few nations that have these assets. To name a few, Russia and Canada, and I don't know if any nations have this 10 assets together; even the United States which once was very powerful, have now to consider the wishes of the 12 Middle East nations. I can't understand why we are so 13 in a hurry to exploit a non-renewable resource like gas 14 for the benefit of people in the south. 15 16 That's all I have, your 17 honor, thank you. 18 (WITNESS ASIDE) 19 THE COMMISSIONER: Mr. Reed? CLIFF REED resumed: 20 THE WITNESS: Can I have one 21 22 more? 23 THE COMMISSIONER: 24 certainly. 25 THE WITNESS: I wanted to ask you, sir, if you may want to comment on it, is the 26 process being used now, the process in two ways: Your 27 Inquiry and then also the application before the energy 28 Board, is that amore effective way of settling this 29 question, or would you think it would have been better 30

if for example, you'd have been chairman of the Royal 1 Commission looking into the whole question? 2 THE COMMISSIONER: Well, I 3 Time will tell, I suppose, but we don't, ally know. 4 found in us Inquiry that just, you see the order-in-5 council establishing this Inquiry says that I am to 6 examine the social environmental and economic impact of 7 the building a gas pipeline in the north, within the 8 context of the transportation corridor in the Mackenzie 9 Valley, that might eventually include an oil pipeline, a 10 railway, hydro-electric transmission line, and so on; and 11 we found in this inquiry we've got enough to do without 12 trying to consider questions such as Canada's future 13 needs for natural gas, and the supply of gas that may 14 exist or may not exist in the Mackenzie Delta and the 15 Beaufort Sea. That's something that the National Energy 16 Board has the job of considering under the law, id that's 17 what they spend their time doing. I think that this is a 18 new departure in the examination of large-scale frontier 19 They didn't do this in connection with the development. 20 James Bay project, for instance. 21 22 The Government of Canada has said, "Before we decide whether we're going to go ahead 23 we'll have an Inquiry and we'll see what the people who 24 live up there in the Northwest Territories and the 25 Yukon think about this, white people and native 26 people." 27 28 Now that is something that as citizens of a free country, it seems to me, you should 29 all applaud. I would have thought, at any rate, rather

than saying to the government, "No, leave us out of it. 1 You just go behind closed doors in Ottawa and settle 2 it, and whatever you do, it's O.K. with us." 3 But we've got enough to do just 4 fulfilling the terms of the order-in-council establishing 5 the Inquiry, and we've had the co-operation, I should 6 say, of the pipeline companies, both Arctic Gas and 7 The Inquiry has provided funds to 8 Foothills. environmental organizations who have appeared before us 9 regularly in Yellowknife to argue about the environmental 10 impact. We've provided funds to the Northwest 11 Territories Chamber of Commerce so that the businessmen 12 of the north could come before the Inquiry and make 13 recommendations as to the ways in which they would 14 benefit from this pipeline if it was built. 15 16 provided funds to the Northwest Territories Association of Municipalities so that the municipalities can come 17 before us and tell us about the problems they'll have in 18 building schools and hospitals, providing all the 19 services that an increased population will insist upon if 20 the pipeline goes through, and the development that it is 21 expected to bring comes along in its wake. 22 23 Of course, the Federal Government is supplying funds to the native organiz-24 ations so they can participate. Now, this is a large 25 undertaking, but I have calculated that the cost of the 26 Inquiry itself comes to $1/10,000^{th}$ of the cost of the 27 pipeline project. So maybe the country can afford to 28 spend that kind of money to take a hard-nosed look at the 29 project before we decide whether we'll go ahead.

Now that's a little bit of 1 2 philosophical musing, I quess, but --3 Α Thank you, thank you, your honor. 4 5 Well, one at a time. 0 Was that all you had, Mr. Reed? 6 7 Α Thank you, your honor. remember a Royal Commission that delved very deeply ten 8 years ago, if I remember right, into the question of 9 self-government, provincial status for the Northwest 10 Territories, the Carruthers Commission on self-government 11 of the Northwest Territories. That was a Commission that 12 was conducted very much along the honourable lines that 13 you're conducting your Inquiry now. There are a great 14 many of us that feel that we were let down by the Federal 15 Government in view of the recommendations handed down by 16 Dean Carruthers. We have every reason o believe and to 17 believe in the recommendations that you will come up 18 with, that they will be in line with the interests of the 19 people of the Northwest Territories but we don't know 20 whether they will stand up before the decision of the 21 22 National Energy Board. That's one of the questions that 23 bothers us. The other thing that I'd like to 24 say, just one more before I leave this, although I spoke 25 originally speaking for myself , Mr. Chalmers pointed out 26 that I used the superlative "we". I apologize for that. 27 I wasn't speaking for any group of people, but I will say 28 that as being a person very active in the labor union 29 movement in the Northwest Territories and other public

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areas in the Territories, the question of our political
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   development and our social development is very important
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   to myself and to people like myself.
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                              The question of the settlement
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   of the native land claims are part and parcel of an
5
   equitable settlement of the -- or an equitable decision
6
   on the question of taking energy resources out of
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   Northwest Territories. It is my personal feeling, I
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   won't use the word "we". I say "I" agree 100% that the
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   native land claims question has to be put in a
10
   perspective where it can be settled before any positive
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   decision can be made on what we're going to do with our
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   natural resources in the areas covered by the land
13
   claims.
14
                              Thank you.
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16
                              THE COMMISSIONER:
                                                 Thank you,
17
   sir.
                               (WITNESS ASIDE)
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                              THE COMMISSIONER: Mr. Milan,
   you wanted to add something?
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21
                              MIKE MILAN resumed:
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                              THE WITNESS: No, no, I just
   had to make a remark that any organization, if that
23
   organization had some money coming from you, it is
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   working people or like unions or unorganized people,
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   so they never had no money to come
26
   up before you. To me that is an entirely different
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28
   thing.
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                              THE COMMISSIONER:
                                                 Well, that's
     - we felt that -- I felt that I wanted the native people
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to have funds so they could be represented at this
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             They're represented at Yellowknife and when we
2
    Inquiry.
   go into the native villages. I wanted the
3
   environmentalists to be represented.
                                          I wanted the
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   Chamber of Commerce representing the business community
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   to be represented, and they're all, I suppose in one way
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   or another they're all in politics, but -- and we wanted
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   the municipalities to be represented.
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                             Now, we felt that that pretty
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   well encompassed -- and of course the pipeline
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   companies who are backed by the oil and gas industry,
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   we didn't give them any money because we were led to
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   believe that they had enough money to get along with on
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   their own; but we felt that all of those together would
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   give us a pretty wide spectrum of interest, and I'm 1e
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   tonight to hear from anybody who still has something to
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   say, who doesn't fall into any of those categories.
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   I don't know what else we could have done.
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                             Well, we seem to be having a
   worthwhile discussion.
                             (WITNESS ASIDE)
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                              THE COMMISSIONER: Does
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   anyone else wish to add anything before we -- well,
   I'll tell you what, we'll take about a ten-minute
23
   coffee break now and then we'll reconvene, and
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   anyone who wishes to speak after that, we'll give you
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   an opportunity. So we'll just stop for a cup of coffee
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          I think there is coffee here somewhere. Well,
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   we'll stretch our legs anyway.
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    (PROCEEDINGS ADJOURNED FOR TEN MINUTES)
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    (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)
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THE COMMISSIONER: Was there 1 2 anyone else who would like to say anything or ask any 3 questions this evening? Well, I think then I should 4 thank all of you for coming this afternoon and this 5 evening, and I think I should say that while you may 6 feel that anything you've said is a very small 7 contribution to this whole problem, I want you to know 8 that I feel I can learn something from each one of you 9 and what each one of you says here, and at each of the 10 communities, helps me to sort out the whole picture. 11 We hold formal hearings in 12 Yellowknife as well as these community hearings, and at 13 the formal hearings we hear the experts, many of them 14 from the south, some of them from the north, people who 15 spent their lives studying the north, northern people 16 and northern conditions; but I think that the views of 17 people like yourselves who have made the north your 18 home are just as important as the views of the experts, 19 and that's why we have brought this Inquiry to each of 20 21 the communities. 22 I think I should say that the 23 transcript of everything that has been said today will be typed up and a copy will be sent to the Mayor, so 24 that the town will have a permanent record of what has 25 been said this evening, the concerns that have been 26 If any of you decide that you want to add 27 anything to what you've said tonight, or if any of you 28 who didn't speak want to say anything, just write me a 29 letter in Yellowknife, just c/o the Mackenzie Valley 30

Pipeline Inquiry, Yellowknife, addressed to me, just telling me anything else you want to say or anything you want to say that you didn't say tonight, and I'll take it into account because we'll be at this for some time to come, and any further thoughts you have, any further ideas you have, I'd like to hear from you. So I think then I'll adjourn the Inquiry now. Than you again for coming here, and all of you, the citizens of Pine Point, and the Inquiry will be adjourned until it reconvenes at one o'clock tomorrow afternoon in Fort Resolution. So ladies and gentlemen, we stand adjourned. Thank you very much. (PROCEEDINGS ADJOURNED TO OCTOBER 7, 1975)