

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)

**Fort Smith, N.W.T.
October 9, 1975**

PROCEEDINGS AT COMMUNITY HEARING

Volume 33

The 2003 electronic version prepared from the original transcripts by
Allwest Reporting Ltd.
Vancouver, B.C. V6B 3A7 Canada
Ph: 604-683-4774 Fax: 604-683-9378
www.allwestbc.com

APPEARANCES

Prof. Michael Jackson	for Mackenzie Valley Pipeline Inquiry;
Mr. Darryl Carter Mr. A. Workman	for Canadian Arctic Gas Pipeline Limited;
Mr. John Ellwood Mr. R. Rutherford	For Foothills Pipe Line Ltd.
Mr. Russell Anthony	For Canadian Arctic Resources Committee

WITNESSES:	Page
Mayor Paul KAESER	3100
Mrs. EVANS	3102
Mr. SCHAEFFER	3147
Debbie KLENGENBERG	3150
Ib CHRISTIANSEN	3152
	3196
Joe MERCREDI	3157
Bob STEVENSON	3167
Frank LAVIOLETTE	3184
	3216
Bill APPLEWHITE	3186
Ian CHURCH	3191
Harry LEISHMAN	3192
Bill LISK	303
Mrs. Irene GILMORE	3217
George CADUSKI	3219
Roger BRUNT	3223
Chief Gerry CHEEZIE	3227
Steve HARRISON	3230
Jake JANSEN	3231
EXHIBITS:	
C-224 Submission by Mayor P. Kaeser	3106
C-225 Submission by J. Mercredi	3162
C-226 Submission by I. Christiansen	3199

1 Fort Smith, N.W.T.

2 October 9, 1975

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Well,
5 ladies and gentlemen, we will call the meeting to order
6 now. We are officially ready I think.

7 I am Judge Berger and this is
8 an inquiry to consider what the impact will be of the
9 pipeline that Arctic Gas and Foothills Pipe Lines want
10 to build to bring natural gas from the Arctic to
11 southern markets.

12 I am holding hearings in every
13 community in the Mackenzie Valley, the Mackenzie Delta and
14 the northern Yukon likely to be affected by the pipeline
15 if it is built. I am to consider what the social,
16 economic and environmental impact of the pipeline will be
17 in all its ramifications and then to recommend to the
18 Government of Canada the terms and conditions that ought
19 to be imposed if the pipeline is built.

20 Je suis le Juge Berger.
21 Cette enquete a pour but d'envisager les consequences
22 d'une pipeline que la compagnie Arctic Gas et la
23 compagnie Foothills voudraient construire pour amener
24 le gaz naturel de l'Arctique vers les marches du sud.

25 Je tiens ces audiences dans
26 chaque communaute de la vallee du Mackenzie, du delta
27 du Mackenzie et des regions du nord du Yukon qui seront
28 affectees par le pipeline s'il est construit. Je dois
29 etudier les consequences sociales, economiques et
30 ecologiques du pipeline dans toutes ses ramifications.

1 | Ensuite, je recommanderai au Gouvernement du Canada les
2 | conditions qu'il devrait imposer pour la construction
3 | du pipeline si jamais il est construit.

4 | Canada and the United States
5 | have a great appetite for oil and gas. That is why
6 | the Government of Canada is considering this gas
7 | pipeline, but before they decide what to do they want
8 | to know what you think about it and that is why they
9 | have sent me here. Now, we have been told that this
10 | pipeline project is the greatest project in terms of
11 | capital expenditure ever undertaken by private
12 | enterprise anywhere in the world. We have been told
13 | by Mr. Horte, the president of Arctic Gas that if the
14 | pipeline is built it is, likely that it will be
15 | looped, that is, that construction of a second gas
16 | pipeline will be commenced within five years after
17 | completion of the first pipeline. We have been told
18 | by Mr. Blair, who is the president of Foothills Pipe
19 | Lines that if a gas pipeline is built it will result
20 | in increased oil and gas exploration activity
21 | throughout ,the Mackenzie Valley and the Mackenzie
22 | Delta.

23 | We have also been told that
24 | the companies that have found gas in the Mackenzie
25 | Delta, that is,, Gulf, Shell and Imperial want to build
26 | a pipeline to bring oil from the Mackenzie Delta up the
27 | Mackenzie Valley to southern Canada by 1983. So it is
28 | vital that we' :take a hard look now at this pipeline
29 | and what its consequences will be, for once the first
30 | shovelful of Earth has been dug, once the first length

1 of pipe has been laid, it will be too late.

2 After I have heard all the
3 evidence, that is what all of you who live here in the
4 north have to say, I will make my report and
5 recommendations to the Government of Canada. It isn't
6 for me to decide whether or not there will be a
7 pipeline, that is up to the Government. They will have
8 to decide whether they want a pipeline and if they do
9 it will be for them to decide whether they want Arctic
10 Gas or Foothills to build it.

11 Now, I have invited
12 representatives of Arctic Gas and Foothills to this
13 hearing. They are here today so that they will hear
14 what you have to say and so that you can ask them
15 any questions about the pipeline that you want to ask
16 them.

17 So I want you, the people who
18 live here, who make the North your home to tell me what
19 you would say to the Government of Canada if you could
20 tell them what was in your minds, because I am here to
21 listen to you.

22 Je voudrais que vous qui
23 vivez ici, qui faites du Nord votre chez-vous, je
24 voudrais que vous me disiez ce que vous diriez au
25 Gouvernement du Canada si vous le pouviez, ce que vous
26 avez en tête.

27 Moi, je suis ici pour vous
28 écouter.

29 I will ask the Mayor of Fort
30 Smith to make the first presentation. Mr. Mayor.

1 | We will have to swear you in, and your colleague too,
2 | Mrs. Evans.

3 | MAYOR PAUL KAESER, sworn

4 | MRS. EVANS, sworn

5 | MR. STEVENSON: Sorry to
6 | interrupt, Mr. Berger, but I am wondering, are we going
7 | to be translating all of this as people talk into French?

8 | Are we going to be pausing to
9 | translate it?

10 | THE COMMISSIONER: No, no, it
11 | is being translated simultaneously here through the
12 | earphones.

13 | MR. STEVENSON: Because I
14 | don't think it is necessary here because I know that
15 | most of the people from Fort Smith and I know that they
16 | can also understand English.

17 | THE COMMISSIONER: Well, we
18 | are doing it without pausing anyway, and it is helpful
19 | of you to make that remark, but the law says that we
20 | should do it this way and I am a Judge and I am
21 | supposed to do what the law says, and so we will try it
22 | that way and see how we get along.

23 | MR. STEVENSON: It is just
24 | that I think that a lot of important things will be
25 | coming out of this meeting from the various people here
26 | and if we were to wait and pause just to translate it
27 | into English when a lot of people that are French speak
28 | and also certainly understand English, we would be
29 | wasting a lot of time.

30 | THE COMMISSIONER: Well, we are

1 | not going to pause so we will get along.

2 | Go ahead, Mr. Kaeser.

3 | WITNESS KAESER: Your Honour,
4 | Judge Berger, it is indeed a pleasure for me to welcome
5 | you, your associates, Radio Canada, and the C.B.C. to
6 | Fort Smith. Personally I had the pleasure to meet you
7 | last year when you came down here to familiarize
8 | yourself with the North and so a special welcome back
9 | to you, sir.

10 | We have, as you asked me to
11 | do, arranged a meeting about three or four weeks ago to
12 | get interested parties together,, we did that and it
13 | was decided that I am to have the meeting today, but at
14 | that time the wish was expressed by some organization
15 | to have another meeting later on as they felt that they
16 | won't be ready for today's meeting, and I would be most
17 | grateful to you, sir, before you leave here if you
18 | could make an announcement when we meet again here at
19 | Fort Smith.

20 | Also, you asked me at that
21 | time to have a French interpreter here which we did and
22 | I would like that we recognize Mr. Montremeau(?) who is
23 | a teacher here in Fort Smith.

24 | We in the Town of Fort Smith,
25 | the councillors and myself, we prepared the brief and
26 | it will be read out by my secretary, Mrs. Evans. I
27 | might point out that the brief was recognized and
28 | approved and endorsed by all the councillors present,
29 | rented a couple of days ago. However, I might point
30 | out that two councillors are away at present.

1 | Madame Councillor, Mrs. Robinson, is away on family
2 | matters and Councillor Louis Gouche, is away on
3 | business, however, I am certain that they will endorse
4 | the brief we prepared, and with your permission then, I
5 | ask Mrs. Evans now to read the brief.

6 | THE COMMISSIONER: Fine,
7 | thank you very much, Mr. Kaeser.

8 | Well, you go ahead, Mrs.
9 | Evans, and just take your time.

10 | WITNESS EVANS: As the
11 | elected representatives of the Town of Fort Smith, we,
12 | the Council of Fort Smith, submit the following for
13 | your consideration.

14 | As a geographical area of
15 | Canada, any development within the Northwest
16 | Territories must be for the good of all Canadians
17 | regardless of race, creed or colour.

18 | We fully support the
19 | construction of a pipeline as a means of development
20 | and the subsequent removal of hydrocarbon resources as
21 | a means of self-sufficiency and maintaining a
22 | favourable trade balance.

23 | The development of northern
24 | petroleum resources can play a major role in ensuring
25 | northerners become a major contributor to the Canadian
26 | mosaic while at the same time establishing for
27 | themselves a quality of life comparable with the "have"
28 | provinces.

29 | Construction of a pipeline
30 | will provide economic relief to many families now

1 without work. It is our belief that the work ethic is
2 a desirable goal; it reduces reliance on Government
3 assistance programs and therefore instills upon
4 individuals incentive, self-determination and pride.

5 In order to meet the
6 anticipated increase for a skilled and semi-skilled
7 work force, it is necessary to immediately expand
8 existing adult vocational training centres. The Adult
9 Vocational Training Centre in Fort Smith is well suited
10 to provide high quality instruction in specialized
11 areas related to major construction programs.

12 In order for Northerners
13 to participate in the economic fallout precipitated
14 by a construction boom, it is essential that special
15 considerations must become part of any construction
16 contract. Such considerations must include the
17 hiring of Northerners wherever possible; the
18 awarding of sub-contracts to established northern
19 contractors on a basis where northern businessmen can
20 compete.

21 History has shown that
22 without careful monitoring contractors conveniently
23 forget those clauses that show no direct economic
24 return. In order to combat this possibility it is
25 recommended that a watchdog committee be established
26 composed of representatives of the Federal Government,
27 Territorial Government, the contractor and at least
28 three Northerners.

29 Business opportunities that
30 will result from construction of a pipeline must be

1 | made available to Northerners. It is recommended that
2 | in order to provide aspiring northern business people
3 | with the financial and professional assistance needed
4 | to take advantage of these economic opportunities
5 | existing Territorial and Federal loan funds be
6 | reevaluated and adjusted to include:

- 7 | a) availability of larger amounts of
- 8 | financial assistance;
- 9 | b) availability of operating capital as
- 10 | opposed to the present criteria, of
- 11 | allowing only capital acquisition;
- 12 | c) availability of professionals to assist
- 13 | businessmen in maintaining a sound
- 14 | business practice.

15 | Construction of a pipeline
16 | will unleash upon communities grave social problems.
17 | The influx of a large work force and the accompanying
18 | increase of economic prosperity must be countered by
19 | provision of alternate outlets . It is recommended
20 | that in order to combat excessive alcohol consumption,
21 | marital discord, etc., recreational facilities must be
22 | expanded and/or introduced. A wide-ranging program of
23 | recreation should include:

- 24 | a) expansion and/or introduction of
- 25 | intercommunity sporting events;
- 26 | b) upgrading and/or expansion of tourist
- 27 | camping facilities;
- 28 | c) assistance program to individuals seeking
- 29 | to expand and/or start fishing and
- 30 | hunting facilities;

1 | two briefs signed by ourselves for you and the other
2 | ones you might distribute to whoever you feel like.

3 | (WITNESSES ASIDE)

4 | THE COMMISSIONER: Well, we
5 | will come to order again. Anyone else who wishes to
6 | speak may do so. We will have to ask you to come
7 | forward to one of these microphones so that we-can all
8 | hear what you are saying or if you have a question.
9 | Usually at this stage we ask the people from the
10 | pipeline companies to tell you something about their
11 | project, but we don't want them to monopolize your time
12 | and mine. I don't suppose it matters if they monopolize
13 | mine, but I don't see why they should monopolize yours,
14 | but if you are still collecting your thoughts we could
15 | ask them to say something about their projects now.

16 | I think you realize that there
17 | are two companies. One of them, Arctic Gas, wants to
18 | bring natural gas from Prudhoe Bay in Alaska along the
19 | Arctic Coast to the Mackenzie Delta and there they would
20 | pick up Mackenzie Delta gas and bring the gas up the
21 | Mackenzie Valley down to the 60th parallel into Alberta
22 | and then. their line would split up and would take gas
23 | to southern Canada and the United States.

24 | The other company, Foothills
25 | Pipe Lines, says that they want the right to build a
26 | pipeline that would bring gas from the Mackenzie Delta
27 | up the Mackenzie Valley to the existing gas distribution
28 | systems in Alberta and British Columbia, the Alberta Gas
29 | Trunk System, the Westcoast system and the Trans-
30 | Canada system, and they would in that way deliver gas

1 through from the Mackenzie Delta to southern Canada
2 through existing gas pipeline systems.

3 So that is what they are,
4 arguing about. Both of these companies want to build
5 the pipeline but the world being what it is, only one
6 of them can, so they're fighting it out as to which
7 one of them should get the right to build the pipeline
8 if it is to be built at all. So having said that I
9 will -- if you would like to go first, Mr. Mirosh, and
10 Mr. Ellwood, you are certainly welcome to tell the
11 people about the project. If you would like to sit at
12 the end here so that you are more facing the people,
13 that is fine too -- and you might just tell them who
14 you are and your position with the company and Mr.
15 Ellwood's.

16 MR. MIROSH: Thank you, Judge
17 Berger. My name is Ed Mirosh and I am Vice-President
18 of Engineering and Construction with Foothills Pipe
19 Lines. Mr. Ellwood with me here is in charge of our
20 Yellowknife office and is a resident there.

21 Now, Foothills Pipe Lines is
22 a Canadian company made up of two Canadian companies
23 who are sponsoring it, Alberta Gas Trunk Line in
24 Alberta, and Westcoast Transmission Company in British
25 Columbia. We are proposing, as Judge Berger has said,
26 a pipeline which brings only Canadian gas from the
27 Canadian Arctic into both southern and northern Canada.
28 The reason for proposing this at this time is that we
29 calculate and others calculate that there is an energy
30 shortage which you have heard about and if we

1 don't carry out such a project we may be faced with
2 importing energy from overseas countries rather than
3 taking the energy which we have in Canada.

4 In the long run, we feel that
5 using energy in Canada is better for Canadians.

6 Now, the pipeline company
7 which I represent and which I work for is only a
8 company which carries gas. We don't own any gas, we
9 wouldn't own any gas, we would merely connect to the
10 gas plants which others would own in northern Canada
11 and we would ship it through the Northwest Territories.
12 We propose delivering gas to various communities along
13 the Mackenzie Valley and around Great Slave Lake.
14 Foothills Pipe Lines would only be in the Northwest
15 Territories. Once the gas is taken to the 60th
16 parallel it then connects with other pipeline systems
17 in Alberta and British Columbia and from there the gas
18 which is taken out of the Northwest Territories would
19 go to markets and cities across the country from
20 Vancouver to Quebec City.

21 Now, I should emphasize
22 that the companies which make up Foothills Pipe Lines
23 are companies which are in the pipeline business.
24 That is our business and we have been doing this in
25 southern Canada for twenty years and we would like
26 to continue carrying out this business in the north ,
27 but becoming a new company in the north which is
28 totally staffed in the north with Northerners which we
29 propose to train and have been training and in our
30 thoughts, if we do build this pipeline, which we

1 | hope to, we would become a corporate citizen of the
2 | North in the best possible way that we can and this
3 | would come about by attending the Inquiry as we have
4 | and listening to what you people have to say.

5 | THE COMMISSIONER: Mr.
6 | Carter.

7 | MR. CARTER: Thank you, sir.
8 | My name is Darryl Carter and I am a lawyer in
9 | Yellowknife. I represent the other pipeline company,
10 | Canadian Arctic Gas. This company is made up of a
11 | fairly large group of companies that include oil
12 | companies that are drilling for gas in the far North,
13 | companies that ship the gas like Mr. Mirosh's company,
14 | for example, TransCanada Pipelines, and companies which
15 | distribute natural gas.

16 | The pipeline, as Judge
17 | Berger outlined, the pipeline that is proposed by
18 | Arctic Gas is one which would carry both natural gas
19 | from Alaska through the Mackenzie Valley and Alberta
20 | to the United States as well as natural gas from the
21 | Mackenzie Delta to the south. It is, however, the
22 | policy of Arctic Gas that Canadian gas produced in
23 | the Delta would only be transferred to Canadian
24 | markets and similarly the American gas would go to
25 | the American markets.

26 | The pipeline proposed by
27 | Arctic Gas is longer in the sense that it also goes
28 | over to Alaska. It is somewhat larger in diameter,
29 | 48" whereas Mr. Mirosh's is 42" and it operates at a
30 | higher pressure., the main reason for this being

1 | that it of course carries-both gas from Alaska and gas
2 | from Canada. It would pick up the gas both in the
3 | Delta and in Alaska from processing plants that the oil
4 | companies that had drilled the wells, processing plants
5 | that these companies had built and they would prepare
6 | the gas for shipment down the pipeline and at intervals
7 | of approximately 50 miles along the pipeline route
8 | there would be compressor stations that would have to
9 | pump the gas again to keep it moving along the
10 | pipeline.

11 | Arctic Gas would have main
12 | centres once the pipeline was in operation to look
13 | after the operation of the pipeline and these centres
14 | would be Inuvik, Norman Wells and Fort Simpson. During
15 | the operation as during the construction, it is Arctic
16 | Gas's policy to hire as many northerners as want to
17 | work during construction. There will be a number of
18 | thousands of men required to work on the pipeline and
19 | there will be more jobs than people in the north who
20 | wish to work, and it is the policy of Arctic Gas to
21 | offer those jobs first to the Northerners, and then
22 | during operation and maintenance there will not be
23 | nearly as many jobs, but it is hoped that if possible
24 | all o them and at least as many as possible will be
25 | filled by Northerners, and with this in mind they have
26 | undertaken along with Mr. Mirosh's company and other
27 | companies a training program and they are currently
28 | training some northern people. I believe there are
29 | about six young men from Fort Smith on this program and
30 | they are training these persons with the view to having

1 | them employed on the pipeline once it comes into
2 | operation.

3 | THE COMMISSIONER: Thank you,
4 | Mr. Carter.

5 | Maybe I can add something to
6 | what these gentlemen have said because I have heard
7 | them discuss their pipeline projects before. The
8 | pipeline would take three construction seasons, three
9 | winter construction seasons to build. There would be
10 | three main years of construction and the Arctic Gas
11 | proposal would entail the employment of 6,000 men on
12 | the construction during the peak winter season, and
13 | they would be employed north of the 60th parallel, that
14 | is, in the Northwest Territories and the Yukon. The
15 | Foothills' proposal is of course for a line that is not
16 | as long because it doesn't go into Alaska to take
17 | Alaskan gas out and it would involve 5,600 men being
18 | employed north of the 60th Parallel in the Northwest
19 | Territories.

20 | When the pipeline is
21 | finished, if it is allowed to go ahead, there would be
22 | these gentlemen will correct me if I am wrong -- but
23 | there will be something like 200 to 250 permanent jobs
24 | on the pipeline, that is, operating the pipeline, both
25 | companies have told us those things.

26 | Well, if you have anything to
27 | say about all this or if you want to ask a question you
28 | are certainly welcome to do so now. Yes, sir.

29 | MR. STEVE HARRISON: It
30 | seems that for years the planned development for the

1 North as a result of this pipeline going ahead, but after
2 a few years, then what happens, sir? Only 250 jobs?

3 THE COMMISSIONER: Well, that
4 -- I wonder if you would just let us have your name for
5 the record?

6 MR. HARRISON: Steve Harrison.

7 THE COMMISSIONER: Well, Mr.
8 Harrison, that is a good question, that is one of the
9 really important questions this Inquiry has to wrestle
10 with and the possibilities seem to be these: one is
11 that a pipeline would be built and many Northerners
12 would be trained on construction and employed for a
13 three year period, and that after that there would be
14 some problem for them in continuing to work in pipeline
15 construction, and perhaps in other kinds of
16 construction as well. I am going to ask these
17 gentlemen to comment on your question but I thought, I
18 might just fill you and the people in on some of the
19 things that have been said already at the Inquiry on
20 that subject. There is another possibility. Mr. Horte
21 of Arctic Gas has said that if the pipeline were built
22 that within five years after it was completed Arctic
23 Gas would likely want to loop it, that is, build a
24 second gas pipeline that would involve large numbers of
25 men on construction for a period of three or four or
26 five years, That wouldn't occur, though, he said, until
27 five years after the first pipeline had been built.

28 The oil companies that have
29 found gas in the Delta have also found oil there, Gulf,
30 Shell and Imperial, and they have advised the Government

1 | of Canada that they want to build an oil pipeline to be
2 | completed by 1983, so there are real possibilities of
3 | further pipeline construction if this natural gas
4 | pipeline goes ahead. There are possibilities of farther
5 | pipeline construction and employment for Northerners
6 | coming along afterward on another gas pipeline or an oil
7 | pipeline.

8 | Now, this Inquiry is in a
9 | sense engaged in the business of trying to predict what
10 | is going to happen, so there is really no way in which
11 | we can say to you what is going to happen. All we can
12 | do is try to forecast. There is another thing you
13 | should know though. Mr. Blair of Foothills Pipe Lines,
14 | he is the president, he was asked at one of the
15 | hearings, he came along to one of these community
16 | hearings, and he was asked whether the gas pipeline
17 | would result in new industry being built in the North,
18 | industry that used gas. That is, . if you had this gas
19 | coming down the pipeline would that mean that industry
20 | would want to locate, build plants here in the North so
21 | as to be there where the gas is, and he said no, the
22 | experience in Alberta has been that the new industry
23 | which uses the gas as fuel is at the end of the
24 | pipeline. He was quite frank about it. He said that
25 | he felt that the principal result of building a gas
26 | pipeline through the Mackenzie Valley would be that
27 | there would be an increased search for oil and gas all
28 | along the route of the pipeline throughout the
29 | Mackenzie District and that is a form of industrial
30 | development that would be a by-product, so to

1 speak of the building of the gas pipeline, but he
2 discouraged any notion that you would wind up with a
3 petrochemical industry or anything, any kind of
4 industry that used the gas as a fuel as a raw material
5 in the manufacturing process.

6 Now, these gentlemen from the
7 pipeline companies will add to what I have said if they
8 wish. They have that right, I am simply trying to put
9 in words of one syllable what has taken weeks of
10 testimony at the hearings that we have held already.

11 Do you gentlemen want to
12 comment on the point that Mr. Harrison raised? Or on
13 anything I said, for that matter?

14 MR. MIROSH: Well, I would
15 like to mention a few things about construction of a
16 pipeline related to the number of people involved and
17 the length of construction.

18 The pipeline which Foothills
19 is proposing would actually take several years of
20 construction. I might start off by saying the first
21 year would be a year of construction related to
22 clearing the right-of-way, or clearing the path of the
23 pipeline, removing the trees over a 120-foot width and
24 doing grading, using earthmoving equipment such as Hi
25 North has been training people on. The second year
26 pipeline construction would be related to actually
27 digging the trench, putting the pipe in the ground,
28 and covering the trench back with earth and reseeding
29 or revegetating or trying o restore the ground
30 to its original form. The third year of construction

1 | would be the same, again burying more pipe in the
2 | ground and restoring the ground.

3 | Now, there would be several
4 | other years of pipeline construction. The fourth year
5 | would involve completing some of the smaller pipelines
6 | which go to communities around Slave Lake and as well
7 | would involve some construction of compressor stations
8 | or the pumping stations that the pipeline needs, and
9 | there would be more of this construction for the year
10 | or two following that as well, so in effect the actual
11 | pipeline construction stretches over perhaps five or
12 | six years, and it might be longer.

13 | Now, following that there is
14 | a possibility if there was 'more gas found in the North
15 | anywhere along the pipeline route or at the northern
16 | end of it, and if more gas plants were constructed to
17 | clean the gas so that it could go into the pipeline,
18 | then there would be additional pipeline construction
19 | along the original pipeline. There would be pieces of
20 | pipe added at different places and the compressor
21 | stations would become larger, so that it is hard to
22 | predict at this point, but there is a possibility of
23 | extending construction well beyond the original five or
24 | six years.

25 | Now, aside from a gas
26 | pipeline coming down the Mackenzie, Judge Berger has
27 | mentioned the possibility of an oil pipeline as well
28 | and although I know very little about that, it is
29 | possible that sometime after the gas pipeline is built,
30 | an oil pipeline would also be constructed.

1 Now, in addition to that the
2 increased exploration activity, if pipelines were
3 constructed, would cause people to start looking more
4 for gas and oil in the Arctic Islands and it is likely
5 that gas and oil would be found there and additional
6 pipelines and gas plants would have to be built on the
7 Arctic Islands to take this gas in some way across the
8 water and into the top end of the gas and oil pipeline
9 down the Mackenzie.

10 In addition to this activity
11 there is another group looking at a gas pipeline in the
12 eastern Arctic and although this pipeline, if it is
13 ever built, is probably ten years away. That, again,
14 is another activity that would carry on.

15 So, in a sense pipeline
16 activity, once it starts, would probably continue and
17 Northerners trained on pipeline construction would find
18 employment providing they were willing to move around
19 the Northwest Territories.

20 Now, I might just mention
21 that the training programs which Nortran is involved in
22 are actually several training programs. Some of them
23 are training Northerners to operate gas plants. Some
24 of them like the one that Foothills is involved in, are
25 training Northerners to operate and maintain gas
26 pipelines. Some of the training programs are involved
27 in training people to actually construct pipelines, but
28 not only to construct pipelines, but to use -- these
29 skills could be used in other construction work. Any
30 other work that involves earth-moving, involves the

1 construction of large structures, this training would
2 not be lost because it could be utilized in any of
3 these activities.

4 The other item was the number
5 of permanent employees which we are talking about for
6 Foothills, and the number is 250 people in the North.
7 I forgot to mention before that Foothills' head office
8 would be at Yellowknife where we would have about 90
9 people and there would be. about 90 people at Fort
10 Simpson which would be a district office for
11 maintenance and as well would have warehousing and
12 would have a large service centre where repairs would
13 be made to equipment and there would be some 60
14 pipeline employees located at Norman Wells and Inuvik
15 each.

16 Most of the jobs on the
17 pipeline in the operating and maintenance phase tend to
18 be of a technical nature. There is a lot of
19 technicians employed, lab technicians, electronic
20 technicians, mechanical technicians, welders, and these
21 are the sort-of jobs that we have been concentrating on
22 training people for at the present time through Nortran
23 and we have 26 people from the north at the present
24 time and I believe some five of those are from Fort
25 Smith, about three from Fort Resolution and three from
26 Fort Chipewyan who are in this program working on
27 Alberta Gas Trunk Lines pipelines system so that they
28 can, if and when the pipeline is built, move into
29 supervisory or training positions at that time.

30 THE COMMISSIONER: Mr. Mirosh,

1 | just before you go back to you chair. In the Town
2 | Council's brief they said that if the pipeline were
3 | built, one of the special considerations that should be
4 | written into any construction contract would be a
5 | clause relating to the awarding of subcontracts to
6 | establish northern contractors on a basis where
7 | northern businessmen can compete, and then later on
8 | they discussed the re-evaluation of existing loan
9 | programs to northern businessmen. If your company has
10 | a policy that you would like to mention to these people
11 | on that subject, now is your opportunity.

12 | MR. MIROSH: Well, we do have
13 | a policy on the awarding of local contracts and we have
14 | written this policy into our application. I forget the
15 | exact wording, but the intent is that we would give
16 | more than extraordinary consideration, to local
17 | contractors. We would encourage local contractors to
18 | supply goods and materials and services to the pipeline
19 | and we would make some allowance for the fact that the
20 | services or the goods would likely be more expensive
21 | than we would get elsewhere. This is common practice
22 | in southern Canada as well. As you know, a lot of our
23 | goods in various industries come from U.S. or offshore
24 | locations and quite often and the companies which make
25 | up Foothills have a policy that there is some monetary
26 | difference which is allowed to Canadian suppliers due
27 | to the fact that they are generally more expensive
28 | than U.S. or foreign suppliers. So I guess what
29 | I am saying is we do have a definite intent to
30 | utilize local contractors and we are prepared

1 | to make some allowance for the fact that their services
2 | or their supply of services will tend to be more
3 | expensive than those from the south.

4 | THE COMMISSIONER: Fine,
5 | thank you. Mr. Carter, do you want to deal with these
6 | questions?

7 | MR. WOUK: Before Mr. Carter
8 | does this, could I just -

9 | THE COMMISSIONER: Could you
10 | just give me your name first, sir?

11 | MR. WOUK: John Wouk.

12 | THE COMMISSIONER: Yes, sir.

13 | MR. WOUK: I would like to
14 | see if he would mention A.V.T.C. at Fort Smith

15 | THE COMMISSIONER: All right.
16 | Well, we will come back to you in a moment, Mr. Mirosh,
17 | you can absorb that question in the meantime. Mr.
18 | Carter, you carry on and deal with this gentlemen's
19 | reference to A.V.T.C. if you wish to.

20 | MR. CARTER: Yes, I was going
21 | to say first, sir, that the first speaker's point I
22 | think is well taken and that being that there will be a
23 | large number of people employed during construction and
24 | a relatively smaller number afterwards, and it is for
25 | this reason that the training program I spoke about has
26 | stressed the operations and maintenance portion of the
27 | pipeline's life rather than the construction phase and
28 | the idea is to prepare people for jobs after the
29 | pipeline construction has ceased and these would be
30 | permanent jobs, and as Mr. Wouk has said, there is

1 A.V.T.C. here and it can provide the training for a
2 lot of the jobs that would be involved in construction,
3 heavy equipment operators and the like, whereas the
4 specialized training and the operations and maintenance
5 of a pipeline and gas plants would have to be provided
6 by the pipeline and oil companies. In addition this
7 training program has one of its basic rules that every
8 person taken on the program is guaranteed employment
9 once his training is finished whether or not the
10 pipeline is constructed. So what I am stressing is
11 that the training program is one that concentrates on
12 the operations and maintenance phase in the hope that
13 all of these full-time jobs will be filled by
14 Northerners, recognizing that the construction may not
15 last that long and if you just concentrated on that
16 there would be a lot of people left holding the bag, so
17 to speak, afterwards.

18 Also, with respect to this
19 point, I should say that the pipeline isn't the whole
20 picture. The companies in the Delta area that have
21 drilled for gas have also made an application to the
22 Government to build their processing plants and feeder
23 lines and whatnot to bring the gas to the pipeline and
24 they would be employing a considerable number of people
25 if the pipeline is built and in fact they would, as
26 Judge Berger has said, be employing people afterwards
27 to look for other gas, doing seismic work, drilling and
28 whatnot.

29 With respect to the Town's
30 brief concerning businesses, it is Arctic Gas's policy

1 | to require the general contractor, if there is one, or
2 | if the pipeline company does its own general
3 | contracting, that it will use local businesses by way
4 | of subcontract, usually as much as possible and they
5 | have made a list and are continuing to work on those
6 | types of 'contracts that could be fulfilled by local
7 | businesses. What they don't want is to have a business
8 | set-up that is dependent entirely on the pipeline
9 | construction and then having to go broke afterwards, so
10 | it's businesses that can supply the pipeline and after
11 | the pipeline, continue to be a service to the community
12 | as a whole.

13 | Now, I seem to catch in the
14 | Town's brief when it was read out the reference to
15 | established businesses, and with respect to that I
16 | would just like to say if it meant "established" that
17 | in the sense that only businesses that were in act
18 | northern businesses should be given this special
19 | treatment, Arctic Gas would fully support that. It is
20 | not meant to apply to southern companies that are in
21 | some way or another able to set up a local branch in
22 | the North and therefore qualify some way as a northern
23 | business. It is northern businesses in the true sense.
24 | However, established in the other sense, meaning
25 | existing businesses, I must say that Arctic
26 | Gas's policy isn't restricted to that for they have
27 | said that they will also encourage in this area,
28 | they will take cooperation with the Government and
29 | small business loan funds, that sort of thing and
30 | hopefully these will be expanded as requested by the

1 Town, but they will encourage businesses that are not
2 yet established to be set up and the pipeline may be
3 the catalyst that will enable these businesses to be
4 set up, particularly in areas, the smaller communities
5 and that, where there are no businesses that are
6 operating in whatever line is necessary at the present
7 time, so that there will be a policy of using the local
8 businesses, local established businesses as well as the
9 policy of enabling people who wish to setup a business,
10 enabling them to do so in order to service the
11 pipeline.

12 THE COMMISSIONER: Yes,
13 sir.

14 MR. DOUG DEAN: Judge Berger,
15 Doug Dean, there was no mention of the amount of
16 employment for the support services and the supporting
17 staff. There are 250 positions that would be available
18 after the pipeline was built. There was no mention of
19 the necessity for extra doctors, dentists, school
20 teachers, fabricating shops, outfits like Slumber-J,
21 etc., that would be in and involved with the pipeline.
22 Has there been an estimate of this, of the amount of
23 employment of these positions that would be available?

24 THE COMMISSIONER: Well, just
25 maybe I could say something about that. The Inquiry has
26 provided a grant to the Northwest Territories
27 Association of Municipalities so that they could put
28 together a study on the impact that a pipeline would
29 have on Northern municipalities, that is, what increased
30 demand would there be for serviced residential lots or

1 | new schools and hospitals, and as you said, doctors that
2 | and so on. Those are public expenditures/the public
3 | would have to bear. Then now, the Northwest Territories
4 | Association of Municipalities is doing that study and
5 | they will be presenting it to the Inquiry later this
6 | year or early next year.

7 | The other side of it though
8 | is the increased economic activity that the presence of
9 | a pipeline and 200 to 250 people working on it as
10 | operators and maintenance people would entail and if
11 | you people want to discuss that or the other issue, you
12 | are certainly welcome.

13 | MR. MIROSH: Well, just very
14 | briefly, there is a multiplier effect when you put 250
15 | people in a new company in a new location, an economic
16 | multiplier which we have estimated to be somewhere
17 | between three and six times, that is, if you take the
18 | wages that the 250 people on the pipeline make, then
19 | you would multiply that by three to six times to
20 | determine how much extra economic activity or turnover
21 | of dollars there would be in the north.

22 | As to the number of people
23 | that would be employed in extra servicing, I don't have
24 | that number, I don't know that we do have it, but we do
25 | know that the 250 people would be multiplied by some
26 | three to six times in terms of the money turnover and
27 | the goods and Services that are required.

28 | THE COMMISSIONER: Yes, sir.

29 | MR. BEATTY: My name is Gary
30 | Beatty. I would like to know how much the pipeline is

1 going to cost and what the companies make out of it
2 profit wise and what do we get for bringing American
3 gas through our country?

4 MR. MIROSH: Well, since I
5 am still sitting here, I will talk about foothills for
6 a minute. Now, a pipeline company in Canada a gas
7 pipeline company such as Foothills would be and such
8 as the Alberta Gas Trunk Line is in Alberta and
9 Westcoast is in British Columbia are all regulated
10 companies. In other words the Government sets the
11 amount of return on investment that the company gets.
12 There is no windfall profits involved, it is like a
13 utility. Now, the cost of the Foothills Pipeline in
14 the Northwest Territories initially would be about 1.8
15 billion dollars. That is to get the first gas moving
16 after about four years of construction. Now, after
17 more equipment --

18 MR. BEATTY: How is that
19 financed? How do you get 1.8 billion dollars?

20 MR. MIROSH: Well, there
21 would have to be bonds obtained and shares issued and
22 our general intent is to issue shares to the Canadian
23 public so that the control of the pipeline remains
24 with Canadian companies and people and the bonds
25 would be financed wherever we can get bond money.
26 Bonds or mortgage bonds or that kind of debt does not
27 have to be Canadian 'because there is no control
28 associated with it and that might come from the U.S.
29 or from elsewhere, but the equity financing would be
30 such that Canadian control is maintained and

1 | guaranteed. I was just going to finish with after
2 | the pipeline is operating for several years and more
3 | equipment is added to it, the total cost then would
4 | be about 2.3 billion dollars in the Northwest
5 | Territories and that would be a pipeline running at
6 | full design capacity.

7 | THE COMMISSIONER: You have
8 | given us the figure for the Northwest Territories.
9 | What would be the cost of bringing Foothills Gas to
10 | markets in eastern Canada and British Columbia and
11 | Alberta ultimately when the system is fully developed.
12 | What is the cost through the Canadian system, have you
13 | got a figure for that?

14 | MR. MIROSH: Yes, there
15 | would be about another \$2 billion required in southern
16 | Canada to bring to add pipelines and to add compressor
17 | stations across Alberta, Saskatchewan, Ontario,
18 | Quebec and British Columbia and that again would not
19 | be spent at one time, that would be spent over some
20 | five years of construction. The total project then to
21 | bring gas from the north across to the two centres of
22 | Canada, Quebec City and Vancouver, is about \$4.3
23 | billion.

24 | THE COMMISSIONER: Just
25 | before you ask your question, sir, Mr. Carter, maybe
26 | you would like to take this microphone here, because
27 | then people would know that Mrs. Mirosh and you aren't
28 | on the same side and the last gentlemen that asked a
29 | question asked a question that went something likes
30 | what does Canada get or what does the north get for

1 transporting American gas from Alaska to the southern
2 48r whoever that gentlemen was, if you want to ask the
3 question again. Do you want to stand up.

4 MR. BEATTY: You were talking
5 about the profits (inaudible).

6

7

8

9 MR. MIROSH: Well, rate-
10 making in pipelines is a rather complicated business,
11 but the way that a pipeline gets paid for its services
12 is by charging a transportation cost for gas, and this
13 is based on taking the project over twenty years and
14 depreciating the money that you spend over that period
15 of time. Let's just very simply say that if the
16 pipeline costs \$2 billion over twenty years, that would
17 be about \$100 million a year that one would have to
18 write off. Now, you add to that, taxes and other
19 things and then you charge a transportation charge to
20 the producers based on that particular rate base that
21 you calculate.

22 Now, in your rate base you
23 also put in a percentage of the rate base which you are
24 allowed to make as profit and that would be around some
25 10 to 12% of the rate base for that particular
26 transportation, so you don't make 10 or 12% of \$2
27 billion. You make that percentage of the rate base
28 which is approximately perhaps 1/20th of that, and only
29 if you are carrying full capacity. If you are not
30 carrying, full capacity, then you are making less.

1 THE COMMISSIONER: Yes, I
2 think we should let Mr. Carter of Arctic Gas deal with
3 the other question you asked, sir, because it is Arctic
4 Gas that is transporting American gas through Canada.
5 Do you want to deal with the matter that this
6 gentleman --

7 MR. CARTER: I will try, sir.
8 I am not too good on economics, but the figures, to
9 give you an idea of the comparison of the project, for
10 Arctic Gas -- this is within Canada as a whole, that
11 would be the Yukon, Northwest Territories and the
12 provinces, is \$7 billion, and Mr. Mirosh gave the
13 figure for their investment to get the gas moving
14 for the first time for start-up and at this point you
15 are not fully completed, your system isn't complete,
16 but you can start moving your gas and for the Arctic
17 Gas system that figure, I believe is 5.6 billion
18 dollars.

19 THE COMMISSIONER: Could I
20 interrupt? Mr. Carter, these figures are a little hard
21 to follow, but let me just tell you what I understand
22 these gentlemen to be talking about. The Foothills
23 system is a fully developed system in Canada would cost
24 4.3 billion dollars. The Arctic Gas system fully
25 developed within Canada leaving aside the cost of
26 building the Alaskan link to the Alaska-Yukon border
27 and leaving aside the lines that go from the 49th
28 Parallel south to the U.S., their system within Canada
29 would cost \$7 billion. That is the comparison you
30 should be making if you want to compare these other

1 | figures, you are welcome, but they have a tendency to
2 | get away on you, at least that is what I have found.
3 | Carry on.

4 | MR. MIROSH: Could I just
5 | comment before you carry on, because that is not quite
6 | a fair comparison.

7 | THE COMMISSIONER: All right.

8 | MR. MIROSH: The Arctic Gas
9 | figures do not include cost of transportation of gas
10 | across Canada, only through Canada.

11 | THE COMMISSIONER: Yes, that
12 | is a good point that has come up many times and it is
13 | just that that other figure is always one that is hard
14 | to pin down and however, so, Foothills is 4.3 billion.
15 | Arctic Gas is 7 billion plus X. Do you want to give us
16 | X?

17 | MR. CARTER: I don't know X.
18 | The unknown.

19 | MR. BEATTY: But there is a
20 | lot of money involved

21 | THE COMMISSIONER: Excuse me,
22 | sir, I am quite happy to have you participate, but
23 | these ladies have to get down what you say. Just slow
24 | down a bit and we'll get along.

25 | MR. BEATTY: It seems there
26 | is a lot of money involved and that when one is trying
27 | to find out what one is going to get back, that is, the
28 | people that live here, you know, you can quote these
29 | figures in billions of dollars and when one asks
30 | what you get as a company or corporation for your

1 return, do you get a percentage or something, you can't
2 get any money then, but you know it is very confusing
3 and when there is a chance that your company is going
4 to bring this American pipeline through here too, you
5 know, what do we get for doing that, supplying this
6 road down to the American markets? Is there an
7 advantage of you doing that over the other one?

8 MR. CARTER: Well, I will try
9 to deal with that then now. The advantage according to
10 Arctic Gas, and I think this is disputed by Mr. Mirosh,
11 is that firstly by bringing both American gas and
12 Canadian gas in the same pipeline, the costs are
13 shared. This is sort of in generalities, but that is
14 about the only way that I can understand them myself.
15 So by sharing the costs, southern Canadians, now,
16 this isn't ourselves in the North, but I am trying
17 to give all the benefits that I recall come to play
18 when you are talking about moving American gas through
19 Canada.

20 By bringing both Canadian gas
21 and American gas in the same pipeline, costs are shared
22 and therefore you are able to move it cheaper, that is,
23 both the Prudhoe gas to the States, and the Canadian
24 gas to Canada. You are able to move it cheaper. So
25 that those people who get the gas in southern Canada
26 will be able to have it at a cheaper rate than they
27 would have otherwise.

28 The next thing is that you
29 tax the pipeline as it goes through your territory and
30 this would be the direct benefit to the Northwest

1 Territories. There would be taxes levied on the
2 pipeline and the improvements that are made and the
3 pipeline company would own houses, presumably in some
4 of these towns or their employees would own houses
5 that would be taxed and they would have people living
6 here and they would pay income tax, and so there is
7 the tax part of it that would benefit the governments
8 at least and hopefully that would be passed on to the
9 public and because the project is both American and
10 Canadian, it is larger and we would therefore get a
11 bigger benefit from the tax point of view so that the
12 Americans would be paying a part of this tax benefit
13 to the Canadians.

14 The other benefit is that
15 the Americans would have to pay for the shipment of
16 this gas through Canada and they would, as I recall,
17 be paying something like \$500 million a year to
18 Canada for the shipment through and this has an
19 effect on the balance of payments, but now. I am
20 getting above my head, but these are some of the
21 advantages that Arctic Gas says they are in a project
22 that involves both the American and Canadian gas
23 and I am sure that Mr. Mirosh doesn't hold to all of
24 these.

25 The only other thing that I
26 might add, and I thought that perhaps you were
27 interested in, this is in connection with this figure
28 that Mr. Mirosh gave for his project for the start-up
29 and this is involved with the financing and the total
30 cost. As I understand it, once you are able to start

1 | moving the gas then you have got some income coming in
2 | so that you can use that to start to pay for the rest
3 | of the pipeline and this is where the 5.6 billion
4 | dollars that I gave, where that comes in so that a
5 | portion at least of the rest from 5.6 up to \$7 billion
6 | comes from the income generated by having your
7 | pipeline already moving gas with only an investment of
8 | 5.6 billion.

9 | THE COMMISSIONER: Yes, sir,
10 | we have finally gotten to you. Give us your name first
11 | and then the question slowly.

12 | MR. BARFORD: My name is
13 | Martin Barford., Mr. Berger, and I would like to ask
14 | on behalf of these people here just exactly where
15 | this pipeline is going to be built, the exact path,
16 | perhaps on this map here, and. how many miles the
17 | pipeline would be from the various communities which
18 | would be on the right-of-way from such places such as
19 | Wrigley, Fort Norman, Arctic Red River and Fort
20 | MacPherson?

21 | MR. MIROSH: Well, the total
22 | length of the mainline for Foothills is 817 miles which
23 | is from the gas plants at the top end to just above the
24 | 60th parallel. The pipeline route we have had people
25 | in the field investigating this and we have filed a
26 | route which is being somewhat revised due to the fact
27 | that we have been close to some communities. I believe
28 | I am correct in saying now that we are about five to
29 | six miles from the closest communities along the
30 | pipeline route. You also asked, I think, about the

1 | other laterals that go into the communities. There is
2 | about 460 miles of pipeline as well which mostly goes
3 | from about Fort Simpson up to Yellowknife and down to
4 | Pine Point, and also to the communities along the
5 | valley of Inuvik, Norman Wells, Fort Simpson and
6 | others.

7 | THE COMMISSIONER: Yes, sir,
8 | would you do us a favour? Come up and just speak into
9 | this microphone, if you don't mind. If you don't want
10 | to stay, there, it is just a bit hard to hear you, but
11 | carry on.

12 | MR. BARFORD: Well, I don't
13 | have a brief prepared so I don't know if I want to
14 | monopolize a microphone, but so the pipeline is going
15 | to be going up the western side of the river, is that
16 | right?

17 | MR. MIROSH: It is on the
18 | east side of the Mackenzie River and crosses the
19 | Mackenzie at around Fort Simpson in the south and at
20 | Swimming Point to Richards Island at the north end.
21 | Otherwise it is on the east side.

22 | MR. CARTER: I should perhaps
23 | respond to that as well, sir. I can't explain the line
24 | any better than it is on the map, but there are
25 | communities, particularly Fort Good Hope where the
26 | pipeline is quite close and it is around four or five
27 | miles there. On Arctic Gas's pipeline as opposed to
28 | the Foothills' pipeline, it could come close to Arctic
29 | Red and Fort McPherson.. if the line from Alaska
30 | comes down that way and that has been proposed as one

1 | of the ways. If it goes along the coast it could still
2 | come by there as you see the line on the map which
3 | would be on the west side of the Mackenzie Delta.
4 | There is a third alternative proposed, however, and
5 | that would bring the line from Alaska along the coast
6 | and then, as I say, cross-delta, across the mouth of
7 | the Mackenzie Delta and that way it would avoid
8 | McPherson and Arctic Red by quite some distance, but it
9 | is possible that the Arctic Gas pipeline could come
10 | close to both McPherson and Arctic Red and Old Crow in
11 | the Yukon too.

12 | MR. HOGUE: I am Adrien
13 | Hogue. I was just wondering, it kind of strikes me
14 | funny, it is all very well for Mr. Kaeser and his
15 | Council to be able to present a brief, but I was just
16 | wondering what the feelings of the Native people in
17 | Fort Smith was) and if they have a brief at this time
18 | to present it to the hearing.

19 | THE COMMISSIONER: We were
20 | told that the Native people in Fort Smith wanted me to
21 | come back again later this fall or early in the winter
22 | to hear their point of view and that is what I intend
23 | to do. So I am not asking them to have their brief
24 | ready today. Council's was ready so I was most anxious
25 | and pleased to hear it and the native people will have
26 | their chance to say their piece later on in the fall
27 | and Mr. Jackson of my staff is working out a date with
28 | them when we can come back and hear from them, so I am
29 | anxious that everybody be heard and that is the reason
30 | that we are coming back. They felt that they would

1 | rather I came back at a later date, so --

2 | MR. HOGUE: Thank you very
3 | much.

4 | THE COMMISSIONER: Yes, sir.

5 | MR. GAUTHIER: I can't talk
6 | very loud so I will talk into the mike.

7 | THE COMMISSIONER: All right.
8 | Could you give us your name first?

9 | MR. GAUTHIER: I am Mr. Norm
10 | Gauthier. One thing that interests me mostly is that
11 | these private enterprises will have a chance to share
12 | work in this project. Just tossing figures around it
13 | could be 50 construction firms of heavy equipment and
14 | 25 expeditors and maybe 7 or 8 trucking firms, you
15 | know, right down the line: electricians and there's
16 | all kinds of businesses. How does, if they plan to
17 | share this, and if the pipeline is built, how do they
18 | plan in; going about ensuring that every businessman
19 | in the Territories is involved? It seems to me that
20 | the bigger ones as it usually goes in most cases, will
21 | control the little ones and the little ones will be
22 | squeezed out and only the big firms will have a chance
23 | to properly get established and possibly gain a
24 | stronger control on the construction -- or the
25 | contracting of this, and it seems to me that holding a
26 | brief in Fort Smith is mostly for the benefit if
27 | Northerners want a pipeline in the Territories, to go
28 | through the Territories, but we are so far away from
29 | the main line of the line that any businessmen in this
30 | area, if some of the things around Fort Smith are not

1 developed first, like the darn, if the power could
2 be used, or the road to McMurray, that we'll be
3 left out as a cold turkey on the side of the line with
4 really no possible chance of getting in. It seems to
5 me that all the settlements along the Mackenzie will
6 benefit if the pipeline is built, but anybody on the
7 outside of the line is going to be left out, really,
8 and I was just wondering how they plan If the pipeline
9 will be built I feel that every businessman in the
10 Territories should be involved, but how do you put in
11 25 expediters and 50 electrician companies on the one
12 project and have some control over it?

13 Another thing I 'am afraid of
14 is the unions will take over somehow which would still
15 leave us out.

16 THE COMMISSIONER: Well, I
17 will -- stay there if you like, because something else
18 may come up.

19 Mr. Gauthier has raised
20 number of good points. If this pipe -- well, first of
21 all, the Foothills pipeline goes down the Mackenzie
22 Valley and into Alberta, but they have a branch line
23 that comes over to Yellowknife and Fort Rae on the
24 north side of the lake and another branch line that
25 comes to Pine Point and Hay River on the south side of
26 the lake to deliver gas to homeowners and other users
27 of natural gas in those towns., so that is how close it
28 gets to Fort Smith.

29 The other matter that you
30 raised as I understand it you are saying, well, it is

1 | all very well for everybody to say that we want
2 | northern businessmen to prosper if it is built, but how
3 | are we going to -- how is that going to happen? A
4 | million tons of steel pipe are required in the Arctic
5 | Gas project and there isn't a northern businessman who
6 | is in the business who is in the business of
7 | manufacturing steel pipe. There is only one steel mill
8 | in Canada that can actually supply that pipe, that is,
9 | that has the capacity to do it. So what are northern
10 | businessmen capable of doing? Or will they just be
11 | standing at the side of the road watching big firms
12 | from Edmonton and Winnipeg and Vancouver making all
13 | the money? That is, I think what northern businessmen
14 | are worried about. So the Inquiry provided a grant
15 | to the Northwest Territories Chamber of Commerce and
16 | we said to the Chamber of Commerce, prepare an
17 | inventory of the capabilities and potential
18 | capabilities of all northern businesses as they relate
19 | to the pipeline and present it to the Inquiry and then
20 | we will try and figure out a way to make sure that you
21 | get a fair crack of the business, even if it is just
22 | supplying, if you have got a bakery, supplying, I don't
23 | know whether you have or not, but supplying loaves of
24 | bread to the men in the camps so that they don't fly
25 | all the bread in from a bakery in Edmonton. That is
26 | the kind of thing, putting it in its most fundamental
27 | way, that Northern businessmen are concerned about.
28 | So we asked the Chamber of Commerce, we said, go out
29 | and find out what they are capable of doing and come
30 | back and tell us and they will later this fall

1 | or early in the New Year, be submitting that study to
2 | us. Now, just with that background I will let the two
3 | companies carry on and deal with your questions which
4 | are very, very good ones.

5 | MR. MIROSH: Well, I might
6 | start by mentioning that unquestionably there will be
7 | room for contractors in the north to work as sub-
8 | contractors for the main contractors on pipeline
9 | construction. Aside from this, however, the pipeline
10 | company, Foothills, intends to carry out the logistics
11 | and expediting by establishing control within the
12 | company. This means that Foothills will be able to let
13 | that kind of a contract for trucking, for barging, for
14 | movements of materials around the north readily, you
15 | know, ourselves, we won't be relying on contractors to
16 | do that, but there are opportunities aside from that
17 | for carrying out subcontract trades, I am sure, with
18 | the contractors, such as electricians, that you have
19 | mentioned. Beyond that, during the operation of the
20 | pipeline, the company would utilize local contractors
21 | again for the same activities electricians, welders,
22 | if there are, this is the same thing that we do in
23 | Alberta and British Columbia right now and we would
24 | carry on doing that, as well as purchasing hardware
25 | supplies and so on from local businesses wherever
26 | possible.

27 | Now, Foothills does have another
28 | thing we have been considering, a Business development
29 | Board which Mr. Ellwood here will say a few words on
30 | since he is from Yellowknife and has been putting this

1 together.

2 MR. ELLWOOD: We certainly
3 are aware of the problems that you have brought up
4 here. One way in which we are trying to get around
5 these kinds of problems is by appointing a group of
6 northern businessmen, the number is not finalized yet,
7 but it will be probably five or seven northern
8 businessmen as an independent Board, although it is
9 funded by our company. Our intent is to fund them
10 sufficient that they can of course pay their own
11 expense-and involvement in this, salary for it, and as
12 well have them hire a secretariat to conduct work and
13 studies for them.

14 Their purpose will be
15 twofold, really. One will be to provide advice and
16 information to northern businesses on all business
17 matters and on how to get themselves involved in the
18 pipeline project. The second side of their terms of
19 reference, if you will, would be giving advice to the
20 pipeline company, to ourselves as to how to structure
21 contracts, how much lead time to give on all these
22 other factors that in the past have made it so
23 difficult, for northern businesses to become involved.

24 I note that in the submission
25 from the Town Council they have suggested a watch dog
26 committee and we see that, at least insofar as
27 Foothills goes, this Board will be performing that
28 function for us. They are completely independent from
29 us, aside from the fact that they are given money, but
30 that we have guaranteed: them now. They will be able

1 | to watch over us, to criticize and to publicize the
2 | mistakes we make. We hope that this will be sufficient
3 | incentive to ourselves to really carry through with our
4 | policy intent here.

5 | MR. GAUTHIER: That is my
6 | main concern and it seems that all these opportunities
7 | are available, but when you start narrowing them down,
8 | it is not really that many, and nobody really says
9 | that. They all talk about the big opportunities that
10 | we are going to get , but it --

11 | THE COMMISSIONER: Well, that
12 | s what the Inquiry is for, to take a hard look at all
13 | the promises that are made.

14 | MR. GAUTHIER: Right, and it
15 | seems that whenever a firm comes in, they all have
16 | their advisors and their sub-contractors, a friend of a
17 | friend, pretty soon, the local guys end up on the
18 | outskirts and you maybe do all the dirty work or the
19 | things that they don't really want to do themselves and
20 | somebody else benefits and when it is all over it is
21 | all finished with and that is it. That is all that I
22 | have to say really for now.

23 | THE COMMISSIONER: Just
24 | before we take another question, do you want to say
25 | anything, Mr. Carter, or -

26 | MR. CARTER: Well, sir, I
27 | already said something about using local businesses and
28 | I think Mr. Gauthier's telling us something more than
29 | asking a question, and I agree with him, that that is
30 | the facts of life, and it is certainly Arctic Gas's

1 | intention to change that by insisting that certain
2 | types of local contracts be given to the local
3 | businesses.

4 | Now, I am not aware of what
5 | all those are. I think on the actual pipeline
6 | construction they'd be restricted to things like
7 | trucking and repairing the equipment that were used,
8 | but they would probably be more in the area of
9 | providing the services that are going to be necessary
10 | locally on a full-time basis, the housing that will be
11 | necessary as a result of the pipeline.

12 | About his other point, about
13 | Fort Smith being far from the route, I think it was
14 | apparent from his last comment that he doesn't want any
15 | promises that aren't going to be fulfilled and I have
16 | to agree with him that it is apparent that Fort Smith
17 | is quite a long way away and what could be done in
18 | that regard I am not sure. I think that maybe the Fort
19 | Smith businessmen will have to compete with the
20 | businesses that are more close to the pipeline route
21 | and if that incurs extra expense it may be that Arctic
22 | Gas can't favour Fort Smith or give them some special
23 | benefit by being further away and in that way penalize
24 | the ones that are close. So I don't think that I can
25 | really offer anything on that other point.

26 | VOICE: I really don't have a
27 | question, but in relation to a lot of questions that
28 | have been asked by you and I forget your names, both of
29 | you, but it seems like there are a lot of possibilities
30 | and ifs , but nothing really that definite and it seems

1 | to me that more definite facts should be gotten
2 | together and quit talking about possibilities and
3 | ifs.

4 | THE COMMISSIONER: Well, that
5 | is what we are doing, and we want to know what your
6 | concerns are here, the people that live here, and we
7 | want them to lay down the conditions under which they
8 | can build this pipeline if it is going to be built at
9 | all ad then they will have to meet the conditions, that
10 | is the way that the Inquiry is going about it. But
11 | both of these organizations have spent a lot of money
12 | and a lot of time and they are here to give you their
13 | best in terms of the knowledge they have that they can.
14 | If it isn't enough, it isn't enough, and they are.
15 | probably as unhappy as you are about that. Maybe not,
16 | I don't know.

17 | VOICE: That is all I have to
18 | say.

19 | VOICE: Will the companies
20 | accept a decision from the Canadian Government before
21 | the land claims settlement?

22 | THE COMMISSIONER: The
23 | question is will the companies accept a decision from
24 | the Canadian Government before the land claims are
25 | settled. I am just repeating that for the benefit of:
26 | the recorders here.

27 | MR. MIROSH: Well, there are
28 | two activities that have to take place in the near
29 | future. One is, Justice Berger does have to make his
30 | ruling on land use, the other is the National Energy

1 Board has to make a decision on whether to allow
2 construction of one or the other of the pipelines, so
3 we are a long ways from there yet and I might say that
4 if we were given, if Foothills was given the go-ahead
5 in a year or a year and a half, which is possibly the
6 time frame we are talking about, and land claims were
7 not settled at that time but the Government said "Build
8 the pipeline", we'd have to make a decision at that
9 point in time.

10 It is difficult to say right
11 now. If the pressure from the Government is to go and
12 ahead construct and there is a shortage which everybody
13 then recognizes is real and not just one that is talked
14 about, then it will be a hard decision to make, but I
15 don't know what else I can say at this point beyond
16 that.

17 MR. CARTER: The position
18 that Arctic Gas has taken is that it is in favour of a
19 settlement of the land claims and it would be in the
20 interests of all, including Arctic Gas that this be
21 settled before any pipeline was started. They haven't
22 however, gone so far as to say that they would not in
23 any circumstance construct a pipeline if the land
24 claims were settled. It is a matter between the
25 government and the native groups involved and if the
26 government made the decision that the pipeline could go
27 ahead before the land claims were settled, Arctic Gas
28 would be prepared to go ahead at that time.

29 THE COMMISSIONER: Well,
30 there is a gentleman here at the microphone.

1 VOICE: Mr. Berger, if this
2 part of the discussion has not quite completed, maybe
3 some more people have questions. I wanted to go into a
4 little different aspect of it.

5 THE COMMISSIONER: I think I
6 saw a hand somewhere here. Yes, sir?

7 MR. SCHAEFFER: Before I
8 start, let me tell you who I am, because I am pretty
9 sure that, well, that's unusual, but most of us do,
10 and don't know whether it is fair or not, but I am
11 going to ask you anyway, because I am not always fair,
12 I want to warn you about that.

13 THE COMMISSIONER: Well, sir,
14 I wonder if we could just do two things. One is get
15 your name. Maybe my hearing is going bad, I didn't
16 hear you say --

17 MR. SCHAEFFER: Well, I
18 didn't tell you my, name.

19 THE COMMISSIONER: And
20 secondly maybe we could swear you in because if you are
21 making a statement, that is fine, but we should swear
22 you in. The people that just ask questions we don't
23 ask them to be sworn in, even if they sneak in a few
24 statements into their questions. Maybe we could just
25 swear this gentlemen in?

26 Oh, well, we will just
27 take one minute break here because these ladies have
28 to change the tape and then we will carry on with
29 you, sir. We will stretch our legs for a minute or
30 two.

1 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

2 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

3 THE COMMISSIONER: Ladies and
4 gentlemen, I thought we would carry on for a little
5 while longer, maybe until a little bit after 5 o'clock
6 and then come back tonight at 8 o'clock and carry on
7 tonight for as long as you wish, and if that suits
8 you that is what we will do, and I know that
9 everybody wants to go home for supper in a little
10 while.

11 Well, maybe now we could here
12 from Mr. Schaeffer and then there is a young lady
13 behind Mr. Schaeffer who wants to speak and then you,
14 sir. If you -- we want to hear from you too, sir.

15
16 MR. GARY GAUTHIER: I have a
17 question pertaining to what Mr. Gauthier had to say
18 about the union.

19 THE COMMISSIONER: Okay,
20 well, maybe we can deal with that now, Mr. Schaeffer.
21 Just give us your name, sir.

22 MR. GAUTHIER: Gary Gauthier
23 of Fort Smith. I was just wondering. I have been a
24 union man most of my life and then I got up here in the
25 Northwest Territories and I got away from the unions
26 and I kind of like it that way. I am just wondering
27 what is going to happen when your general contractors
28 are union and then you get sub-contractors taken from
29 various communities, are they going to be forced to
30 unionize?

1 THE COMMISSIONER: That is
2 something that I would like to know what people think
3 about because I have to make recommendations to the
4 government about that. Now, the pipeline guidelines
5 that the Federal Government has laid down which are
6 part of my terms of reference, say that I am to
7 consider preference to hiring northerners, Native
8 northerners and white northerners, and the pipeline
9 guidelines also say that I am to consider the
10 guidelines relating to minority hiring which is
11 essentially Eskimo, Indian and Metis peoples as
12 provided in the I.L.O. Convention, that is the
13 Convention laid down at Geneva, and Canada has
14 subscribed to it by treaty. I don't want to make it
15 all sound terribly complicated, but that is something
16 that this Inquiry is supposed to be doing and we have
17 asked the unions to come forward and tell us how they
18 would tackle this and we want to hear from people like
19 yourselves in each community because this is a problem.
20 If the union hiring halls are in Edmonton, Winnipeg,
21 Vancouver and Montreal, everybody is hired out of
22 there, it doesn't matter how many promises the
23 companies make, there won't be any northerners working
24 on the pipeline. That is what we have been told and it
25 seems like a legitimate thing to worry about.

26 So we are going to have the
27 unions coming forward to give their side of the story.
28 We have heard the point that you have made many times
29 and I went to Alaska myself in June to see how the
30 thing was working out over there and we are

1 me why so many of my people are on welfare now instead
2 of working? Don't try to tell me the work isn't here,
3 it is just not being done. What I mean by work is to
4 get out and hunt and fish and trap. That 's what they
5 were doing when I come down here fifty-one years ago,
6 and they lived good. Why did the Government change
7 that?

8 THE COMMISSIONER: Well, I am
9 afraid I am going to have to listen to a lot more
10 evidence at this Inquiry before I start giving you my
11 opinions about such matters which are very difficult
12 but important ones and I want to hear your views. You
13 people will all hear my views when I have heard the
14 evidence and I make my report, but this is your chance
15 to speak and even though I am doing a lot of talking I
16 really am listening too.

17 THE WITNESS: Oh, I realize
18 that, but that is my opinion. I think it is a
19 downright shame that so many of my people now are on
20 welfare with a country that's a wonderful trapping,
21 country and they do not trap. They prefer to stay home
22 and live on welfare, and now pretty quick they can't do
23 anything else. A lot of them can't do anything else
24 now. The younger people here they can't hunt chicken
25 any more, you take them anyways from the road where
26 they can't hear the trucks go by then they get lost.
27 They have got to stay close, because they've had no
28 training in the bush whatever.

29 In the old times it didn't
30 matter where you put them. They knew where they

1 | was at all times, and they come out, too.

2 | Sometimes I wonder if it was
3 | by accident or desire that it was done that way. You
4 | know perfectly well what happens to people when they
5 | quit work. You know what happened to the old Romans.
6 | They were so successful in war that they brought home
7 | so many prisoners, both male and female, that they
8 | didn't work any more, and they didn't last long, did
9 | they? They did not, they are gone. The Natives are
10 | going to go too if they don't work.

11 | They don't all follow that.

12 | Some of the best tradesmen in
13 | this North country are Native. Good ones. Not
14 | necessarily the smartest ones. There are a lot of
15 | smart people here living on welfare, but they missed
16 | the boat. That's what I like in the world buying it
17 | accident or desire that that was done that way. If you
18 | want to: get rid of them you certainly got the right
19 | idea. I knew you'd get them. It is a proven fact that
20 | man cannot survive unless he works.

21 | Well, surely somebody can for
22 | or against me say something. If you can't, well, you
23 | are in a pitiful situation again. So I will just sit
24 | back and give anybody else a chance.

25 | THE COMMISSIONER: Well,
26 | thank you, Mr. Schaeffer. I think the young lady
27 | behind you is next. Do you want to just come forward
28 | and sit down here, Miss.

29 | (WITNESS ASIDE)

30 |

1 DEBBIE KLENGENBERG sworn:
2 First of all I guess in
3 regards to that employment, will the companies also be
4 responsible once employment is established to move the
5 families of the employed man along with the men
6 wherever they transfer them?

7 THE COMMISSIONER: I think
8 Mr. Mirosh, if you could discontinue your conversation.
9 This question was directed at you. You might just
10 repeat that. Go ahead -- do you want them to answer it
11 now, or do you want to read your whole thing first?

12 THE WITNESS: It doesn't
13 matter.

14 THE COMMISSIONER: Well,
15 okay, you try and answer that --

16 MR. ELLWOOD: Perhaps she
17 could read her whole thing.

18 THE COMMISSIONER: All right,
19 you go ahead.

20 THE WITNESS: And why must
21 our ecology be spoiled when there is already a pipeline
22 in Alaska where you can build the pipeline, this
23 pipeline right along next to it where it is already
24 built instead of bringing it all the way down the
25 Mackenzie and spoiling some more land?

26 THE COMMISSIONER: You mean
27 why not take the gas froth Prudhoe Bay south along the
28 route of the Alaska oil pipeline and to Valdez and
29 ship it by tanker to the west coast of the United
30 States. Well, there is a company called El Paso which

1 | is a big gas pipeline company and they want to do that
2 | and the Americans will have to decide whether they are
3 | going to let them do that, that is, the American
4 | Government. But that would still leave the Canadian
5 | gas up there in the Delta and if Canada needed that gas
6 | then the question would come up how are you going to
7 | get it south to the big cities where they use gas. I
8 | hope you follow me.

9 | THE WITNESS: Mm-hmm.

10 | THE COMMISSIONER: I am not
11 | saying the gas is needed or will be needed. That is a
12 | matter for the National Energy Board to consider and
13 | they will start their hearings later this month, but
14 | the other questions you raised are very important ones.
15 | Well, carry on, I shouldn't be interrupting you.

16 | THE WITNESS: That is all.

17 | THE COMMISSIONER: Was there
18 | anything else you had? Well, do you want to deal with
19 | that first matter, Mr. Ellwood?

20 | MR. ELLWOOD: Well, with
21 | regard to your question about moving families as well
22 | as the men on these jobs, certainly that is our policy,
23 | that is our standard practice now. In fact, we are
24 | doing that along with the other companies sponsoring
25 | Nortran. Married men in that training program can take
26 | their families south at the expense of the company that
27 | they are working from there.

28 | THE WITNESS: Will housing be
29 | provided?

30 | MR. ELLWOOD: Yes, housing

1 | will be provided for employees who need it. Those who
2 | have existing housing and would prefer to live in it
3 | will not be forced to move, of course.

4 | THE WITNESS: Thank you.

5 | THE COMMISSIONER: Thank you
6 | very much. Mr. Carter, do you want to say anything.

7 | MR. CARTER: The policies of
8 | both companies are the same there, sir.

9 | (WITNESS ASIDE)

10 | THE COMMISSIONER: Okay, I
11 | think we have come to you then, sir.

12 | IB CHRISTIANSEN sworn;

13 | THE WITNESS: Mr. Berger, my
14 | name is Ib Christiansen, by the way, I mustn't forget
15 | to -- I have frantically been looking around this room
16 | since we started the hearing this afternoon to find a
17 | familiar face. The face that I was looking for, or the
18 | person that I was looking for is Al Evans. He is the
19 | local manager of P.W.A. and the president of the
20 | Chamber of Commerce. He was supposed to have been here
21 | this afternoon, however, he did, just prior to the
22 | hearing call my home telling me that he may not be able
23 | to make it this afternoon as he has problems at the
24 | base. He called me hoping that I would step forward
25 | and say something. I hadn't planned on this, nor am I
26 | about to make a statement on behalf of the Chamber of
27 | Commerce.

28 | I will say that the Chamber
29 | of Commerce has for a few weeks now and talked a lot
30 | about this hearing coming up, the things that we want

1 | to bring forward, discussing the implements and
2 | whatever may happen to Fort Smith should the pipeline
3 | be built.

4 | It has been a busy time for a
5 | great many of the Chamber members and when I say many,
6 | the Fort Smith Chamber of Commerce isn't that big, so
7 | there aren't that many people, however, a lot of people
8 | have been out on business trips lately. As you know,
9 | it is hunting season and we haven't quite met en masse,
10 | if you like. We have decided to ask respectfully if we
11 | could present our brief next time you come to town, the
12 | time you will be announcing later on or before you
13 | leave Fort Smith, I presume, I think, and we will be
14 | ready to present our brief at that time. We seem to
15 | have a lot more to talk about yet.

16 | Thank you, Mr. Berger.

17 | THE COMMISSIONER: Well,
18 | maybe you can discuss that with Mr. Jackson of my,
19 | staff. He sees you and he will speak to you when we
20 | adjourn and work something out because we do want to
21 | hear from you, and the Chamber people.

22 | THE WITNESS: I am sure that
23 | we would very much like to have our input to it, thank
24 | you.

25 |
26 | (WITNESS ASIDE)

27 |
28 | MR. STEVENSON: Bob Stevenson,
29 | Mr. Berger. There has been a couple of questions in
30 | regard to Native people making their presentations and

1 | there has been the explanation as everybody heard that
2 | the Inquiry will be back here mainly for that purpose.
3 | But I just want the people here before we leave to know
4 | that I will be, as an individual, making a few comments
5 | tonight, or my presentation to the Inquiry, and I would
6 | encourage the Chief and the Metis Association President
7 | of this local to do so as an individual too this evening
8 | or tomorrow or whenever -- before you leave on this
9 | trip.

10 | THE COMMISSIONER: Thank you,
11 | Mr. Stevenson.

12 | Well, I think it is five
13 | o'clock and we have had a very useful and helpful
14 | afternoon and I appreciate the contributions you have
15 | all made and we will come back at eight o'clock tonight
16 | then.

17 | (PROCEEDINGS ADJOURNED TO 8 P.M.)

18 | (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

19 | THE COMMISSIONER: We will
20 | call our meeting to order, ladies and gentlemen. We
21 | are holding our meeting in the only town that is
22 | designated as a bilingual area under the Official
23 | Languages Act, so I will make my opening statement in
24 | both of Canada's official languages. In addition we
25 | have simultaneous translation equipment available as
26 | the official Languages Act requires so that any of you
27 | whose mother tongue French who wish to have the
28 | equipment may get it at this table here.

29 | I introduced myself this
30 | afternoon. I am Judge Berger and the people over here

1 at the table are members of the C.B.C.'s Northern
2 Service Broadcasting crew who broadcast from the
3 Inquiry in English and the official -- and the Native
4 languages each evening and we also have with us this
5 week a crew from Radio Canada who broadcast in the
6 French language on television and radio in the
7 Province of Quebec and other parts of Canada, and the
8 ladies over here are Miss Hutchinson, the Secretary of
9 the Inquiry and the ladies who transcribe what is said
10 here, so that it is taken down on tape and typed up
11 and a copy of that will be sent to the Mayor of Fort
12 Smith and the other representatives of the people
13 here.

14 This is an Inquiry to
15 consider what the impact will be of the pipeline that
16 Arctic Gas and Foothills Pipe Lines want to build to
17 bring natural gas from the Arctic to southern
18 markets. I am holding hearings in every community in
19 the Mackenzie Valley, the Mackenzie Delta and the
20 Northern Yukon likely to be affected by the pipeline
21 if it is built. I am to consider what the social,
22 economic and environmental impact of the pipeline
23 will be in all, of its ramifications, and then to
24 recommend to the Government of Canada the terms and
25 conditions that ought to be imposed if the pipeline
26 is built. So I want you, the people who live here,
27 who make the North your home, I want you to tell me
28 what you would say to the Government of Canada if you
29 could tell them what was in your minds. I am here to
30 listen to you.

1 Je suis le Juge Berger.

2 Cette enquete a pour but d'envisager les consequences
3 d'une pipeline que la compagnie Arctic Gas et la
4 compagnie Foothills voudraient construire pour amener
5 le gaz nature de l'Arctique vers les marches du such.

6 Je tiens ces audiences dans
7 chaque communaute de la vallee du mackenzie, du delta
8 du Mackenzie et des regions du nord du Yukon qui seront
9 affectees par le pipeline s'il est construit.

10 Je dois etudier les
11 consequence; sociales, economiques et ecologiques du
12 pipeline dans toutes ses ramifications. Ensuite, je
13 recommanderai au Gouvernement du Canada les conditions
14 qu'il devrait imposer pour la construction du pipeline
15 si jamais il est construit.

16 Je voudrais que vous qui
17 vivez ici, qui faites du Nord votre chez-vous, je
18 voudrais que vous me disiez ce que vous diriez au
19 gouvernement du Canada si vous le pouviez, ce que vous
20 avez en tete.

21 Moi, je suis ici pour vous
22 ecouter.

23 We heard this afternoon from
24 the Mayor who spoke on behalf of the Town Council, We
25 heard from the representatives of the two pipeline
26 companies, Arctic Gas and Foothills and from others and
27 we will just continue this evening and anyone who
28 wants:--to speak may do so and anyone who has a question
29 that they want to ask of the pipeline companies may do
30 so, and we will just carry on in an informal way

1 | this evening and feel free to speak up. If you do,
2 | perhaps you wouldn't mind going to that microphone or to
3 | one of these at the front just so we can hear what you
4 | are saying and get it down on tape:

5 | So, yes, sir.

6 | JOE MERCREDI resumed:

7 | THE WITNESS: Mr.

8 | Commissioner, I would like to make a presentation on
9 | behalf of the Working Men of the Northwest Territories.

10 | Mr. Commissioner, I come
11 | before you today not only in support of the Mackenzie
12 | Valley pipeline, but more to request from you your
13 | support of an economic development of the Northwest
14 | Territories, and respectfully request your indulgence
15 | to my presentation. I am here in support of the
16 | working men of Fort Smith. The past few months the
17 | working man has experienced an economic decline. This
18 | decline has caused a political diversion among all
19 | people who reside north of the 60th parallel.

20 | The native organizations of
21 | the Northwest Territories have taken a stand on no
22 | development until the land claims issue is called and
23 | settled. The diversion of which I speak is mainly
24 | between the working man and the native organizations in
25 | the Northwest Territories. The native organizations
26 | have stated very frequently that the government is
27 | playing political games with the people of the
28 | Northwest Territories. Much can also be said about
29 | the political games the native organizations are
30 | playing with the native people of the Northwest

1 Territories. Recently in the news media the native
2 organizations, the Metis Association of the Northwest
3 Territories and the Indian Brotherhood have presented
4 the Dene declaration. They speak of a new nation
5 within a nation.

6 Mr. Commissioner, you cannot
7 build a nation when the majority of the people are
8 unemployed or on welfare. If this moratorium is
9 supported by this Commission, I can see that all men
10 presently employed in industry will forfeit their right
11 to earn an honest wage. This , Mr. Commissioner, is a
12 crime of injustice towards the working individual. The
13 native organizations of the Northwest Territories have
14 created not political power, but racial hate amongst
15 their own people. If this is to continue and there is
16 a threat to our economy, I can see the Government of
17 Canada instituting the War Measures Act as was done in
18 Quebec with the F.L.Q.

19 How many times, Mr.
20 Commissioner, have you heard in your travels native
21 people state publicly that they would give up their
22 lives to stop that pipeline? Have you at any time
23 visualized why these statements are being made? It is
24 because the media and the native organizations have
25 definitely given a negative and emotional outlook in
26 regards to the Mackenzie Valley Pipeline and development
27 in the Northwest Territories. I 'do not only blame the
28 Native organizations as to what is happening. I
29 place a lot of the blame on the governments who fund
30 these organizations annually. Prior to the last

1 | election the government priorities where people come
2 | first. The Northern people are going to get a good
3 | living and a good life, while the government and the
4 | companies go ahead with the development of the North.
5 | That was the promise made in Parliament by the Minister
6 | of Indian Affairs with agreement and support of all
7 | other ministers including the Prime Minister.

8 | Millions of dollars have been
9 | spent on environmental studies. Maybe, Mr.
10 | Commissioner, I can get both the government, the oil
11 | companies and the Native organizations and save you a
12 | little bit of money, regarding the environmental
13 | 'studies. I can tell you that every Wood Buffalo
14 | National Park has clear entitlement from the one square
15 | mile of good grazing ground as long as the grass grows
16 | and the rivers shall run. I can tell you that the
17 | Migratory Birds Treaty makes sure that ducks and geese
18 | won't get chilled until they get to Saskatchewan and
19 | Mississippi. I can tell you that better, brains and
20 | more money has been spent learning how to keep the
21 | environment good for animals, than has been spent
22 | learning how to make it good for man.

23 | In the social aspect via
24 | radio and television we have heard young native men
25 | speak very strongly in regards to back to the land,
26 | reliving the Old customs of their forefathers. In my
27 | research I have asked many of the Native women would
28 | they give up the luxury of electricity, electric
29 | washers and driers, oil heated homes, TV and the
30 | "Edge of Night", and go back to the land. The response

1 has been negative. So you see, Mr. Commissioner, there
2 is only one side of what you hear. :The Hon. Minister
3 of Indian Affairs and the Secretary of State have
4 annually funded these organizations to inform the
5 people and to consult with the people regarding the
6 proposal of the Mackenzie Valley Pipeline and other
7 industrial movements in the Northwest Territories, Mr.
8 Commissioner, this is the third time I have presented a
9 paper before you and publicly state that native
10 organizations that I am familiar with in the Northwest
11 Territories, mainly the Indian Brotherhood and the
12 Metis Association, have never represented the labour
13 force of which we play a major part in the economy of
14 the North. They have never at any time consulted with
15 the working Native of the North or the working man.
16 They have never at any time had consultation meetings
17 with the Native people regarding any working paper.
18 The negotiating team that was supposed to hold meetings
19 in the settlements were never heard of. Again, these
20 people are funded by the Government of Canada. I ask
21 you, Mr. Commissioner, is this another political game
22 to where to divide is to conquer?

23 How many innocent people are
24 being affected by this inevitable lack of communication?
25 As I have previously stated the only people who are
26 fully aware of what is happening regarding the Mackenzie
27 Valley Pipeline are those directly involved with the
28 research and the would-be executives of the Native
29 organizations and their white counterparts. They arm
30 themselves with articulate terminology used by

1 government and pipeline officials, but neglect to inform
2 the average individual who is not familiar with the
3 everyday operation causing mass confusion and diversion
4 amongst their own people. This, again, is caused by
5 absolute negative communication.

6 Mr. Commissioner, I grew up
7 in this town and I never in my youth experienced so
8 much racial hate, not between white man and Native, but
9 Native against Native. In the social climb in this day
10 and age that we have to put up

11 with such obscure nonsense;
12 the Native people of the past and today are hard working
13 people and competitive people. They are the people that
14 I represent today. This building we are in demonstrates
15 the constructiveness of the Native people of this
16 community. If this Commission supports the Native
17 organizations moratorium of no development until the
18 land claims issue is settled, you would be depriving the
19 average working man of earning an honest wage.

20 Just to go further, Mr.
21 Commissioner, for the past several years, young men and
22 women of the Northwest Territories have been and are
23 being trained in this community to join the trade and
24 labour force; after they terminated their training,
25 they seek employment, but if there is no employment to
26 be found we would be forced in the end to become
27 recipients of welfare. These young men and women
28 should not have to face that type of future.

29 Also, a program was conceived
30 in the Northwest. Territories and proved to be of

1 | great value to the northern economy with the Hire North
2 | project. It has been successful in every aspect of its
3 | operation. It prepared men and women to play a major
4 | part in the labor force of the Northwest Territories,
5 | but to my understanding in a few short months this
6 | enterprise will close its doors, due, I believe to the
7 | recent decision by the federal government to suspend
8 | the construction of the Mackenzie Highway. Programs
9 | such as this are a vital link to our basic economy, but
10 | yet are disregarded by the bureaucrats who continue to
11 | make decisions for our benefit in Ottawa.

12 | In conclusion, Mr.
13 | Commissioner I advise this hearing that I and a group
14 | of associates who have the general interest of our
15 | people at heart are currently preparing a proposal to
16 | be submitted to you at a later date. This proposal
17 | will define a course of action which we hope, Mr.
18 | Commissioner, you will find of interest and which, if
19 | implemented, will result in significant benefits to all
20 | of the people of the North. Thank you.

21 | THE COMMISSIONER: Thank you.
22 | Mr. Mercredi. I wonder if you could leave us your
23 | written statement and it will be marked as an exhibit
24 | and form a part of the permanent record of the
25 | proceeding. (WITNESS ASIDE)

26 | (SUBMISSION OF MR. MERCREDI MARKED EXHIBIT C-225)

27 | THE COMMISSIONER: Well,
28 | anyone else who has anything to say may do so. You
29 | don't have to have a written brief to read from as Mr.
30 | Mercredi did. You can say what is on your mind, whether

1 | you wrote it down or not, it doesn't matter to me, or if
2 | you want to ask any questions about this proposed
3 | pipeline project, this is your opportunity. So I think
4 | what I will do is do what I did this afternoon, just
5 | tell you a little bit about what these two companies
6 | want to do. Some of you may have been here this
7 | afternoon, but I will repeat what I have said and then
8 | ask the representatives of the two companies to say
9 | their piece.

10 | These two companies, Arctic
11 | Gas and Foothills) both want to build this pipeline to
12 | bring gas from the Mackenzie Delta to southern Canada
13 | and the United States. The Arctic Gas proposal is to
14 | bring gas from Prudhoe Bay in Alaska that is the
15 | largest oil and gas field in North America along the
16 | Arctic Coast to Mackenzie -to the south side of the
17 | Mackenzie Delta and then a line would join it there
18 | from the Mackenzie Delta and the American gas and the
19 | Canadian gas would be brought south to markets in
20 | southern Canada and throughout, and in the United
21 | States.

22 | Foothills on the other hand,
23 | they say, we will just take the Canadian gas from the
24 | Delta south to existing systems in Alberta, British
25 | Columbia, and of course to the TransCanada system.
26 | The cost of the systems is enormous. The Arctic Gas
27 | system fully developed within Canada's borders would
28 | cost in excess of \$7 billion. The Foothills system
29 | fully developed within Canada would cost 4. --
30 | I think that is \$4.6 billion -- well, \$4.3 billion.

1 It is 300 million unaccounted for, but it is later than
2 it was this afternoon.

3 This Inquiry is in many ways
4 unique in Canadian experience. The Government of
5 Canada has said, "We won't decide whether to build this
6 pipeline until we know what the impact will be in the
7 North on the economy, on the people and the
8 environment." So they appointed this Inquiry and they
9 said, "Go up there and find out what the impact is
10 going to be and then come back and tell us." In the
11 meantime the National Energy Board will be carrying on
12 with its hearings which relate to how much gas is
13 there, how much do we need in southern Canada, should
14 we export any to the U.S., those kinds of things. Then
15 the Government with my report which tells them what the
16 impact of this project would be in the Northwest
17 Territories and the Yukon and with the report of the
18 National Energy Board, would have to decide whether to
19 build the pipeline.

20 Now, that is only right,
21 they have been elected to govern to decide these things
22 and it is only right in a democratic country that the
23 final responsibility should be theirs. So this Inquiry
24 has been visiting every community in the Mackenzie
25 Valley and the Delta and the Yukon likely to be
26 affected by the pipeline to find out what you think
27 because you live here and we want to know what you
28 think.

29 Fort Smith is a town with a
30 long history in the North, and because it is one of

1 | the larger towns in the North we felt we should come
2 | here and listen to the people here. The pipeline will
3 | of course, whichever proposal is adopted, proceed down
4 | the east side of the Mackenzie River, crossing the
5 | Mackenzie south of Fort Simpson and then down to
6 | Alberta. The Foothills people say they will supply gas
7 | to Yellowknife, Fort Rae to Pine Point and Hay River to
8 | the homeowners and industrial users, natural gas in
9 | those communities so that Foothills would have a line
10 | that would branch off the mainline and go to Hay River
11 | and Pine Point and that is as far as the pipeline
12 | system would go. No one proposes to bring a pipeline
13 | to Fort Smith, but we have been told that if the
14 | pipeline were built, there would be increased oil and
15 | gas exploration activity throughout the Mackenzie
16 | District, and that of course would have an impact on
17 | you people here in Fort Smith.

18 | Well, that I hope will have
19 | given you a better idea of what it is that the two
20 | pipeline companies are arguing about and what the
21 | Native organizations are taking a stand with respect to
22 | and others, such as Mr. Mercredi are taking a stand
23 | with respect to, what the environmentalists are
24 | concerned about, and what we have found people
25 | throughout the North to be concerned about.

26 | So, I would call on you ,
27 | gentlemen, but I think that you would like to make a
28 | statement. Well, all right, if you don't mind waiting
29 | then we'll hear from Mr. Mirosh of Foothills and then
30 | Mr. Carter of Arctic Gas. If you just want to add

1 anything to what I have said, Mr. Mirosh.

2 MR. MIROSH: Well, I think
3 that I would just add a few things. Foothills is a
4 Canadian company made up of two major Canadian
5 sponsors, Alberta Gas Trunk Line in Alberta, and
6 Westcoast Transmission in British Columbia. Foothills,
7 the way it is proposed by us would be a company totally
8 operating within the Northwest Territories. It would
9 be a company which would be connected to other
10 companies by means of pipelines at the 60th Parallel,
11 but its operating head office would be at Yellowknife
12 and its maintenance head office would be at Fort
13 Simpson, warehousing would be at Fort Simpson, and
14 there would also be major groups of operating and
15 maintenance personnel located at Inuvik and Norman
16 Wells. The operating personnel would number some 250
17 people when the pipeline is running in the Northwest
18 Territories and construction of this pipeline would
19 span over some five to six years in the initial stage
20 and if there are further requirements for gas and
21 further discoveries, there would be further expansions.

22 The current start of the
23 pipeline is dependent first off on whether a permit will
24 be issued by the National Energy Board and on whether land
25 use regulations will be framed based on Justice Berger's
26 hearings, but if all proceeds as it might, the pipeline
27 might begin construction perhaps in a year and a half or
28 so and would be operational about three years after that
29 and at full capacity about five or six years later.

30 MR. CARTER: Sir, I think you

1 set out the two projects very well, I have nothing to
2 add, but if there are any questions later on I would be
3 pleased to try and answer.

4 BOB STEVENSON resumed:

5 THE WITNESS: Bob Stevenson
6 again, Mr. Berger. I would like to go on record to
7 state that I am from Fort Fitzgerald, originate there
8 and which is 14 miles south of the Alberta-Northwest
9 Territories border and of which quite a number of
10 people that are in the North, who are in Fort Smith,
11 anyway, as well as throughout the Mackenzie area are
12 from, so that fact, I think Fitzgerald should be
13 recognized a bit more, or just as much as Fort Smith.

14 THE COMMISSIONER: That is
15 where the portage used to be?

16 THE WITNESS: Yes, the
17 Alberta people, yes, even though a lot of their
18 children were born now in the Northwest Territories
19 too.

20 I just want to make a few
21 comments on what probably went on this afternoon with
22 the meeting here. As I said before, I have a written
23 statement presented to you at the next hearing here
24 when you come back for the other hearings.

25 Being that a lot of people
26 have come from the Fitzgerald area and are Natives,
27 and the fact that they are either on welfare or
28 seasonal jobs, in other words being laid off whereas
29 the southerners that come to this town seem to have a
30 steady job, only go away on their holidays and you

1 know, or else to go to another job, but I want to
2 point this thing out, for these people that we, in
3 this town know, that live on Sesame Street, we call it
4 Sesame Street here in Fort Smith and other areas such
5 as the Indian Village and so on, just simply to point
6 out that there are problems here in this town too,
7 although there are a lot of people that are trying to
8 work these out. Somebody mentioned, well, the Town
9 Council mentioned today about the families without
10 work, and then they also mentioned about vocational
11 training at A.V.T.C. and not long ago there were a
12 lot of these children, a lot of people that were
13 coming out from the North especially, a lot of these
14 people sitting in this room now will remember the
15 violence that was going on in town with these
16 vocational training people, people being beat up,
17 scared to go to dances and so on.

18 So, I would think that a lot
19 more work has to be done by the people representing
20 them, such as the Town Council and other organizations.
21 That is, just as far as Fort Smith goes, in that regard
22 I mean., the social problems within the community that
23 have to be ironed out. But I am glad that the Town
24 Council has supported the native land claims and I
25 would go on record to say that I too support that
26 before any development takes place in the North or any
27 pipeline at least, and also the part of the road and
28 utilization of Bell Rock again which would be helpful
29 to the people here. I am not saying that I --

30 THE COMMISSIONER: Excuse me,

1 but I'll ask you I was going to ask the Mayor about that
2 since you are here. In the Town Council's brief they
3 said--well, I will just read it to you. It just says:

4 "The Northern Transportation Company facilities
5 at Bell Rock can quickly be reactivated and used
6 to tranship pipeline materials to the construc-
7 tion site, utilizing economical water transpor-
8 tation."

9 I take it -- well, I better
10 not say what I take it to be, because I am not familiar
11 with the geography. What would that entail, where is
12 Bell Rock, what is the --

13 THE WITNESS: Bell Rock is
14 eight miles northwest of here. That was a point where
15 -- you see, before the closing of the transportation
16 system from waterways through to the rest of the North,
17 Fitzgerald was the first stopping place because of the
18 sixteen miles of rapids that we have here.

19 THE COMMISSIONER: Yes.

20 THE WITNESS: And Bell Rock
21 was the place where they unloaded the trucks, they
22 transported everything --

23 THE COMMISSIONER: Oh, so, it
24 was Fitzgerald to Bell Rock?

25 THE WITNESS: Right.

26 THE COMMISSIONER: I
27 understand now, yes., and they built the Canol,
28 portaging everything from Fitzgerald to Bell Rock, I
29 take it during the war, the last war?

30 THE WITNESS: Oh, they built

1 | that before then.

2 | THE COMMISSIONER: Well, the
3 | Mayor is nodding, I see, so I --

4 | THE WITNESS: Well,, before
5 | their trucks were used for transportation, oxen was
6 | used and horses and so on, so there was just a trail

7 | THE COMMISSIONER: Well, you
8 | carry on, I shouldn't have interrupted you.

9 | THE WITNESS: Well, that is
10 | okay. As I see it, I imagine they wish for a road from
11 | waterways or McMurray to Fort Smith and then to carry
12 | on the -- I think that is a good plan and I would like
13 | to see that come about simply because, as you heard in
14 | Fort Resolution, this is the other community that was
15 | totally left out as far as development of the North
16 | goes, up to date. Since they built the highway and the
17 | railway through Hay River and Pine Point, virtually
18 | killing the two communities, especially Fort
19 | Fitzgerald, and also taking a lot of it away from
20 | Fort Smith. So this plan would probably be a lot
21 | better in the way of people development as well and
22 | alto, you know, ensure that people have jobs again and
23 | so on.

24 | I would like to point out
25 | a few of these things; while I was listening to people
26 | from here today I just jotted down these items and
27 | probably bouncing back and forth to them, but though
28 | I support land claims first, I also think that we
29 | have to be realistic in our plans for the future
30 | and hopefully I could maybe add something to this

1 Inquiry, and also for the native organizations and
2 interested people such as business men's groups and so
3 on -- the Chamber of Commerce.

4 Another thing that came out
5 in Fort Resolution and was not mentioned here, and
6 probably just for the record of Fort Smith, was the
7 fact that the pipeline construction would be in hiring
8 thousands and thousands of men and only a small number
9 of them are being trained right now. If I remember
10 right, they said there is 28, 29 or so people being
11 trained at the moment in various fields, whereas about
12 5,000 would be hired in the future.

13 Just to show the people here
14 that maybe the plans are not adequate right now, you
15 know, for our northern people in the way of training,
16 and this kind of thing should be expanded by the
17 pipelines. In other words, don't just go ahead and
18 hire or train a few people, and then bring the rest of
19 them from the south, whereas you're not utilizing the
20 people that are in the north already.

21 Another thing, I would like
22 to know who is paying the cost of the hookups for gas
23 lines coming from the main pipeline into the
24 communities of Yellowknife, Hay River, Pine Point? I'd
25 like to ask the Foothills people and the Arctic Gas
26 people why these decisions were made and how, and why
27 Fort Smith was excluded?

28 THE COMMISSIONER: Do you
29 want them to answer now?

30 A Yeah.

1 THE COMMISSIONER: Go ahead,
2 Mr. Mirosh.

3 MR. MIROSH: Well, I'll try
4 and explain the gas to communities program as best I
5 can. We decided that we would like to carry gas to
6 communities in the north, but we needed some basis for
7 determining which communities would be reasonably
8 served and which ones would be outside of reasonable
9 economic terms. We chose to look at two things, the
10 first one being how much the actual pipeline would cost
11 to get to a certain community, the second one, how much
12 gas did we estimate that community would actually use,
13 both for household use and for commercial and for
14 industrial use.

15 So with gas utilities that
16 are familiar with the north and with how much gas is
17 consumed in households and determining how many
18 households there were, and how much industrial use
19 there would be, we did determine for all the
20 communities in the area how much gas we projected they
21 would need, and then we proceeded to very preliminarily
22 design pipeline systems and cost them to see how much
23 it would cost to get to the various communities.

24 We decided to use a formula
25 for determining what was economic and what was not
26 economic, which is based on dividing the cost of
27 building the pipeline by the amount of gas that
28 community would use in a year, and if that number
29 worked out to some \$25 per 1,000 cubic feet of gas,
30 then that was determined that that was something that

1 | the company would be prepared to go along with. Now to
2 | give you an example of what that means, in terms of
3 | getting gas to Fort Smith, that particular number
4 | worked out to some \$87, which meant that the cost of
5 | building that 140-mile pipeline from -- or in excess of
6 | 140-mile pipeline from Pine Point was very large, in
7 | fact I think it was \$26 million to build that portion,
8 | and the cost of sharing pipeline facilities to get the
9 | gas to Fort Smith, sharing the facilities between Pine
10 | Point and Fort Simpson amounted to some \$30 million.
11 | So that in fact to bring gas into Fort Smith, we were
12 | looking at a \$56 million project, only for that, and
13 | the quantity of gas that we determined would be used
14 | here in 1985 was about 400 million cubic feet per year.

15 | Now to our way of thinking,
16 | that really was not an economic procedure. Other
17 | communities along the valley and those up to
18 | Yellowknife and up to Pine Point were all under this
19 | \$25 per Mcf. per thousand cubic feet figure. Now I
20 | know that's not a very good explanation but that was
21 | the basis and as to who will pay for this extra
22 | connection, we have explained it in this way before,
23 | that the consumers in the east would pay for it by
24 | paying a little bit more for the gas that they get,
25 | because we determine that any gas in the Northwest
26 | Territories that's brought into towns should not cost
27 | the consumers more than it cost to ship the gas to the
28 | 60th Parallel, or if it was in fact cheaper than that
29 | to get the gas there, then that would be the cost, the
30 | cheapest of the two.

1 Now saying that the consumers
2 in South-eastern Canada and South-western Canada would
3 pay for it is not really correct. In effect, who will
4 pay for the cost of gas bringing it into communities
5 will probably be the producer of the gas, who are
6 Imperial, Shell and Gulf. The pipeline company, which
7 I represent, is prepared to go ahead with constructing
8 the facilities with financing them, and with charging a
9 transportation charge for bringing gas into the
10 communities, but as I said earlier, we do not own the
11 gas and the actual cost of the excessive transportation
12 charges which the communities would not pay would be
13 borne by the producers.

14 MR. CARTER: To begin with I
15 should say that Arctic Gas' policy is different from
16 Foothills with respect to the supplying of gas to the
17 communities, in fact they have not adopted the policy
18 of Foothills, that policy being that -- at least with
19 respect to certain communities such as Pine Point and
20 Hay River, that in the case of Foothills is that they
21 will definitely supply these communities with gas as
22 part of their overall project -- Arctic Gas have done
23 their studies to determine which communities it's
24 economically feasible to supply gas to, and those other
25 communities, they have dermined what the cost will be
26 and they've made these reports available and have said
27 that it will have to be a -government decision as
28 to whether or not as part of the project approval
29 there will be a requirement that gas be supplied to
30 certain or all of the communities. The reason that

1 | they have not made a decision is that they have said
2 | that there are a number of factors involved, and that
3 | they should not be the judge as to which decision
4 | should be made considering all of these factors. Some
5 | of these are the cost of constructing these laterals,
6 | the environmental impact of building pipelines over to
7 | Yellowknife, Pine point, and more importantly, I
8 | suppose, with respect to the people in the communities
9 | what will be the cost of converting their present
10 | system if they've got oil burners over to gas, or oil
11 | stoves or electric stoves over to gas stoves? Who will
12 | bear that cost? In view of the fact that in most cases
13 | the cost will be higher to supply the gas than the
14 | price that one could be expected to be charged for it,
15 | and Fort Smith is the extreme example, it will be
16 | necessary to subsidize this, if the project is to
17 | include gas supply to the communities, and particularly
18 | in view of this they have said that it should be up to
19 | the government to decide.

20 | They have looked at Foothills
21 | proposal and see that Foothills say that by supplying
22 | gas to these certain communities there will be a
23 | saving for each household of a certain amount of
24 | dollars per year, I think it's around \$500. However,
25 | they've also looked at the costs that Foothills show
26 | and it appears to Arctic Gas at least that the overall
27 | saving of all the households together in Northwest
28 | Territories isn't anywhere near the annual cost of
29 | providing the service. So it seems it may be a better
30 | idea rather than spend that money on constructing these

1 | other pipelines, to provide some sort of subsidy and
2 | continue the present system.

3 | In any case, because of all
4 | these factors they said that it should be a government
5 | decision and whatever that government decision is, they
6 | will, abide by it. So in response directly to the
7 | question, I can't explain why they haven't decided to
8 | supply gas to Fort Smith, whereas they have to Pine
9 | Point because as I say, Arctic Gas does not have a
10 | proposal to supply gas to any of the communities at the
11 | present time as an integral part of their project.

12 | THE COMMISSIONER: Maybe I
13 | could -- I don't know whether you followed those
14 | answers completely, but what the situation appears to
15 | be is this. Foothills, Mr. Mirosh's company, says that
16 | their pipeline plan involves building a supply line
17 | from the main pipeline, a supply line that would go
18 | around the north side of Great Slave Lake to supply gas
19 | to Yellowknife and Fort Rae, around the south side to
20 | supply gas to Hay River and Pine Point. They say the
21 | saving to the average home-owner would be something
22 | like, in the case of Pine Point, \$900 a year compared
23 | to what the -- what they would have to pay for fuel oil
24 | or propane.

25 | Now Foothills says that that's
26 | as far as it can bring the supply line. It is too far
27 | to bring it to Fort Smith and would cost too much.
28 | Arctic Gas on the other hand says that it isn't planning
29 | to supply gas to Yellowknife, Rae, Fort -- Pine Point,
30 | or Hay River, so that doesn't seem to have very much to

1 | do with you, no matter how you slice it. But anyway,
2 | that's what their proposals are, as I understand them.

3 | Well, carry on with your
4 | questions, or your comments, Mr. Stevenson.

5 | A This next one probably
6 | includes about three different topics that were
7 | discussed both in Fort Smith and Resolution. Yet could
8 | be probably all come under one heading, and that is the
9 | term "northerners".

10 | There's, as many people know
11 | in a lot of discussions in regards to the Territorial
12 | Council and that, a lot of debates and so on, caused
13 | over this and in the media; but also the 250 people
14 | that is proposed to be left working after the pipeline
15 | is built, how what northerners, if they are going to
16 | use northerners, as they state, how would they class
17 | "northerners" in regards to those people who will be
18 | ending up working in the pipeline?

19 | THE COMMISSIONER: That's --
20 | maybe I should tell you that during construction there
21 | would be 6,000 men employed in the Northwest
22 | Territories and the Yukon on the Arctic Gas project.
23 | The Foothills project is somewhat smaller. There would
24 | be 5,600 men employed in the Northwest Territories on
25 | the Foothills project; but after the pipeline is
26 | finished it only requires about 200-250 people to work
27 | on it, to operate it.

28 | Now the question as I understand
29 | it those jobs on the pipeline, once it is built are going
30 | to go to northerners, and what is a northerner?

1 How do you define it? Do you want to go first on that,
2 Mr. Carter?

3 MR. CARTER: I'm not aware,
4 Mr. Stevenson, that Arctic Gas has given a definition
5 to the term "northerner". The only help that I could
6 be here, and I think it would be important to hear the
7 views of yourself and other people in this respect, is
8 that I'm quite certain that they haven't restricted it
9 to native in the sense of Indian, Metis, or Eskimo. So
10 that the term "northerner" would include white people
11 as well; it would be people who have resided in the
12 Territories previous to the particular employment
13 you're talking about, so that someone just couldn't
14 move here and call himself a northerner. But it
15 includes white + people and I don't believe or I'm
16 certainly not aware that Arctic Gas has said that any
17 particular length of time of residence is required to
18 fulfill the requirement of being a northerner.

19 MR. MIROSH: I guess we don't
20 really know what a good definition of a northerner is
21 either, but I could say this. On the Nortran Training
22 program the rough numbers of people in training right
23 now is between 90 and 100, 26 of which are training
24 specifically for pipeline operations and maintenance.
25 Of this number, at least of the 26, I believe 85% of
26 these are native, and the other are white northerners.
27 .Now whether that ratio is an indication of. what we
28 would try and maintain, or whether we'll try and
29 maintain a ratio, I'm not sure; but I can say this,
30 that our efforts are to hire northern Eskimos

1 and Indians and whites who have the qualifications and
2 the desire to work on the pipeline and to take the
3 training.

4 THE WITNESS: The other question
5 is directed to you, Mr. Berger, is probably a little
6 explanation for me anyway in regards to the decisions that
7 have to be made by yourself and the difference between
8 that and the National Energy Board's decisions.

9 THE COMMISSIONER: Well,
10 you're certainly entitled to know that. It's difficult
11 to explain in a few words, but in the past in Canada,
12 decisions about pipelines were made by the National
13 Energy Board and still are. So that a company that
14 wanted to build a pipeline had to go to the National
15 Energy Board in Ottawa and say, "This is where we want
16 to build a pipeline and this is why. This is how much
17 gas there is and these are the customers we want to
18 bring it to," or of they wanted to export it to the
19 United States they had to show that it was surplus to
20 Canada own requirements.

21 Well, these two companies
22 still have to go to the National Energy Board and the
23 National Energy Board will be beginning its hearings
24 later this month in Ottawa; they will hear from these
25 two companies and they can argue about it there.

26 Then the National Energy
27 Board, if it decides to recommend that the pipeline
28 should be built, that decision has to go to the Federal
29 Cabinet, that is the Prime Minister and his colleagues,
30 and no pipeline can be built unless they go along with

1 | the recommendations of the National Energy Board. So
2 | that the National Energy Board makes recommendations to
3 | the Cabinet.

4 | But the Federal Government
5 | said that in the case of the Northern Territories the
6 | situation is a unique one, since the pipeline is one
7 | that will be built through permafrost and since that
8 | presents unique problems of construction and
9 | engineering that we've been listening to and we've been
10 | hearing about at the formal hearings in Yellowknife for
11 | some time now, since we have never built a pipeline in
12 | our far north, since the environmental conditions in
13 | the Northern Territories are different from those in
14 | other parts of Canada, and some have said they are
15 | fragile -- that may not be the right word, but they are
16 | certainly different from the kind of environment where
17 | we have built pipelines in the past in Canada -- and
18 | since we have native peoples in the north who have very
19 | special interests that the Federal Government
20 | acknowledges, the Inuit people, the Indian people, and
21 | the Metis people, and since the white people who make
22 | the north their home have very special interests too,
23 | the Federal Government said in the case of this
24 | pipeline "We'll have an Inquiry that will go north and
25 | will consider what the impact will be on the people of
26 | the north, the environment of the north, the economy of
27 | the north, and then we'll have that Inquiry-report to
28 | us and make recommendations to us."

29 | So the Cabinet, that is the
30 | Prime Minister and his colleagues, at the end of the

1 day when all this is over, will have a report from this
2 Inquiry that says, "Now look, if you build pipeline,
3 this is what is going to happen in the north, this is
4 the impact, this is what we recommend you ought to do."

5 They will have a report from
6 the National Energy Board that says, "This is how much
7 gas we've got in the north and this is -- these are the
8 people in Toronto and Montreal, or it may be New York
9 and Chicago as well -- who need the gas and this is
10 what we recommend you do."

11 So then they will have to
12 weigh it all up and decide what to do. That's their
13 job, that's why they are there.

14 Now that is a lot of people
15 connected with this Inquiry and with the National
16 Energy Board that would probably say that isn't a
17 complete explanation, but if I go on any longer it will
18 become even less clear than it is now.

19 THE WITNESS: The other issue
20 I'd like to make comments on is the Dene and the Dene
21 Declaration and the so-called Dene Manifesto. That's
22 probably raised a lot of unanswered questions and had
23 some bad feelings between the native people simply
24 because it was not completely understood. I imagine
25 George Caduski will be getting up here and possibly
26 explaining his involvement in that, and explain what he
27 understands, because as far as I'm concerned I think he
28 understands it more than I do right now.

29 But I'd like it to be clarified,
30 maybe not. only by George but by the organizations

1 and not only for myself too, but with the people.
2 I know and I've worked for Indian organizations, I know
3 that it is difficult to get adequate funding to work
4 with all the people that you're representing. It seems
5 as far as the people in communities go that govern-
6 ments have no problem in getting money to work with --
7 you know, to have non-native people coming from the
8 south working in the communities. They see this when
9 they see government staff houses being built, people
10 moving in; and yet when they have their own native
11 organizations who also are funded by the government,
12 the expectation is the same. However, due to inadequate
13 funding by Federal Government to native organizations
14 and a lack of recognizing the various Bands and Councils
15 in the various communities, it makes it hard for
16 these people to work with their own people. I understand
17 that.

18 So therefore I would like to
19 suggest that, both to the government and to the Indian
20 organizations, that more training should be done with
21 field workers and this kind of work to be carried on
22 for the organizations so they could hopefully expand
23 and work with themselves and with each other, rather
24 than have a division between organizations and native
25 business men; as it looks to me right now this is the
26 case.

27 On that subject too, I would
28 ask the Commission to call a meeting with native
29 business men from throughout the Northwest Territories.
30 There are many people that own their own businesses,

1 | there are some right here in Fort Smith, there are some
2 | in every -- just about every community in the
3 | Mackenzie, and hear their side of the Inquiry.

4 | I'd like to add, a far as the
5 | native people go, sure, a lot of them are still trapping
6 | and hunting and so on but there are just about as many or
7 | maybe more that do not, and therefore have to live with
8 | everyday life of what they've been given, such as housing
9 | with fuel, communities powered by electricity which is
10 | through generators and diesel motors, fuel for skidoos,
11 | when they go hunting and trapping they use skidoos,
12 | airplanes and so on. This kind of thing should be more
13 | clarified too, with the people in that to bring about the
14 | importance probably of development of pipeline as it will
15 | reflect on them or that they could use, and I would
16 | direct that kind of explanation to be the job of probably
17 | the native organizations too. I think that kind of
18 | everyday thing that involves people has been left out, as
19 | far as different departments in government, native
20 | organizations, in order that the people will understand
21 | these things better, rather than jump into them.

22 | I'd also, though I haven't been
23 | in Smith lately, I've been travelling around working at
24 | Fort Rae, Rae itself, or different communities in that
25 | area, and Resolution, it makes me a bit sad to hear
26 | Joe Mercredi say that the native is against native here
27 | in Fort Smith. This is probably the best place where
28 | the people used to work together, whether they were
29 | native or otherwise, in this community. This is the
30 | birthplace of all the Metis people in the north pretty

1 well, you know, in regards to the history of the Metis
2 people coming from Saskatchewan and Alberta, and I think
3 by working with the -- a lot of these people now who did
4 come from the south, though they are Metis, are in many
5 leading roles such as their own businesses, and also in
6 jobs with government departments, and that's why I would
7 ask again that that meeting be called with those people,
8 because it was the Metis people that took -you can go as
9 far back as you want in regards to the white people
10 coming in, it was the Metis people that helped them in
11 their routes through the rivers and so on in exploring
12 this country. I think it would be the Metis people again
13 that would have to step in the direction of more
14 development as far as all people go.

15 I just wanted to say that
16 it's hard to take from people like Joe Mercredi,
17 probably it's hard for me to say it too, but I have to
18 say it, that the native organizations are having
19 trouble within themselves, amongst themselves with
20 their own people. They, too, need the support to
21 better that situation, and hopefully bring everybody
22 back together again.

23 That's all I've got to say.
24 THE COMMISSIONER: Thank you,
25 Mr. Stevenson.

26 (WITNESS ASIDE)

27
28 FRANK LAVIOLETTE unsworn:
29 THE WITNESS: Frank Laviolette
30 is the name. I'd like to ask the pipeline representative

1 | about the, talking about 5/6,000 men employed in the
2 | project with the union controlling these men. Do we
3 | have to go through a union to go to work on the
4 | pipeline?

5 | THE COMMISSIONER: Maybe I'll
6 | answer that, if you like. It came up this afternoon.
7 | The gentleman asked whether the unions would control
8 | who could go to work on the pipeline. My terms of
9 | reference from the Federal Government require that I
10 | make recommendations on that very subject. If these
11 | companies want to employ northerners on the pipeline,
12 | and they say that's what they want to do, and the
13 | unions on the pipeline say that people can only be
14 | hired through Hiring Halls in Edmonton and places in
15 | the south, then it will be difficult for northerners to
16 | get jobs. That's a problem that they've had in Alaska
17 | on the pipeline there.

18 | So I have to make
19 | recommendations to ensure that if the pipeline is
20 | built, northerner's get jobs and that union hiring
21 | policies to -- and to make sure that company hiring
22 | policies do not stand in the way of northerners
23 | getting jobs. We've asked the companies, Arctic Gas
24 | and Foothills, to come up with ideas on that subject,
25 | and we've asked the unions to do that too, and they'll
26 | be doing that later in the year or early in the new
27 | year.

28 | The question you've raised,
29 | sir, is one that comes up at every meeting, and we're
30 | concerned about it and we're here to find out what your

1 | concerns are, and that's one that concerns a lot of
2 | people who live here in the north.

3 | If you want to add anything,
4 | you gentlemen, feel free. I haven't heard either of
5 | you come up with a terrific answer to that problem yet,
6 | but we're working on it. That's a good point, though.

7 | (WITNESS ASIDE)

8 | THE COMMISSIONER: Does anyone
9 | else wish to say anything or to ask a question? Yes sir.
10 | We'll swear you in, sir. We had heard from Mr. Mercredi
11 | and Mr. Stevenson before, that's why we didn't swear them
12 | in. I don't think we've heard from you before.

13 | BILL APPLEWHITE, sworn:

14 | THE WITNESS: My name is Bill
15 | Applewhite, and I'm a business man in Fort Smith and
16 | have lived in the north since 1950, with the exception
17 | of one or two years which I spent under the bright
18 | lights.

19 | This matter of pipeline
20 | concerns me as a business man because in business you
21 | make a dollar wherever you can, and however you can,
22 | and hopefully that it's honest.

23 | However, in Fort Smith I feel
24 | that generally speaking we are standing up too close or
25 | we're back too far with regard to the actual pipeline
26 | itself. Hay River is a fair distance from here, and
27 | it's beyond Hay River that this pipeline is going to
28 | make a mark across the land.

29 | I would like to go back a
30 | few years and mention one or two places where pipelines

1 or things similar to pipelines have been built. I'll
2 mention Coal Harbour, Fort Chimo, Fort Churchill,
3 Frobisher Bay, Sudluk, Great Well River, Pine Point,
4 Yellowknife Mines, Tulson Dam and the railroad at Pine
5 Point. I may have missed a few.

6 In all of those locations
7 these have always been -- they were built under the
8 auspices of the Federal Government in conjunction with
9 other governments, and in one or two cases, the
10 Government of the United States, and these locations
11 were always going to be the great thing we were all
12 looking for -- jobs, security, etc. etc. etc. To my
13 knowledge, none of this has ever happened.

14 When they built the railroad,
15 which is the most recent one that I can recall, from
16 Pine Point to Rome, Alberta, I was involved in hiring
17 men for that project, on training, and for employment,
18 and I'm not sure but I don't think there were very many
19 men -- I'll use the word "natives" -- working on the
20 railroad today. I know we trained some to drive the
21 trains, and one or two of those men were from GJoa
22 Haven, Pelly Bay, in the more northern settlements and
23 I think they did a very good job, but they are not
24 generally oriented to the work ethic and don't stay
25 that long.

26 Now all of these projects have
27 made some effect on the peoples, and I think in most
28 cases for the bad, shall I say but I don't know that we
29 should stop there because we've had a few failures. I
30 think maybe we can continue, but I think that we have

1 | now with this pipeline coming, we have made some
2 | progress in that at least now the government has come to
3 | the people and said, "What do you want us to do? What
4 | would you like? Let us hear from you."

5 | Sir, I think your Inquiry is
6 | A-1 No. 1 that we need in the north for more things.
7 | I'm hopeful that what we get in input will be of some
8 | benefit, so that we don't have another -- I think Fort
9 | Chimo was a good example. For Chimo happened a number
10 | of years ago, a big American air base came in and then
11 | overnight disappeared, and a lot of people left with a
12 | snow knife and didn't know what it was for. They
13 | transferred some of those poor people to Fort Churchill
14 | they were going to be janitors. I don't know if they
15 | still are or not; but we have this sort of a continual
16 | progress in a backward way with all these projects, and
17 | I think one of the major problems, as I see it, is that
18 | we can talk all we like about local people, native
19 | wanting jobs. I say if you damn well want a job, go
20 | and get it and stick at it and quit beefing about it.
21 | There are jobs available if you want to work.

22 | I myself feel that you must
23 | -- in Canada you have to work. If you don't want to
24 | work then I don't think you should be eating, and I
25 | sure don't like paying for you. If you're not going to
26 | work, then don't eat.

27 | One of the things about all
28 | of this is I'm not sure that we're really ready for a
29 | pipeline. I think we've come a long way. People are
30 | thinking, and there are more people working, more

1 | people want to work -- the a few that don't want to --
2 | and we are maybe not ready. I would say, if. I had to
3 | make the decision whether we have a pipeline or not I'd
4 | say, "Let's put it all on the shelf for 10 years and
5 | then look at it." I can't help but think of old
6 | William Shakespeare -- up in the north, sir, you
7 | probably know him as "Shivering Harpoon", it's cold up
8 | here and he has something to say in his little rhyme
9 | about:

10 | "All the world's a stage."

11 | In the north, all the world is a stage, and all the men
12 | and women are players. They have their exits and their
13 | entrances, and one man in his time plays many parts,
14 | his acts being seven ages.

15 | At first the infant, muling
16 | and puking in the nurse's arms. Sir, I think that's
17 | where we are today, and we're going to be there for a
18 | long time until we can all band together and work
19 | together and forget about the color of our skin and
20 | whether we belong to this group or that group. Let's
21 | stick together. Let's get together, work together,
22 | for the betterment of the north because I think we
23 | could work to provincial status here in the not too
24 | distant future, but we never will if we allow all
25 | these little petty differences to rise up and separate
26 | us. We've got to get together, stick together, and
27 | I think we could use the pipeline and that juice they
28 | put through it, the oil or the gas or whatever, and
29 | we could reap some of the benefits in the form of oh,
30 | I suppose maybe you'd call it a tax, for every gallon

1 | of oil or every cubic foot of gas that goes by my front
2 | door I want X number of cents and I'm going to turn
3 | this back into the development of the north. I think
4 | we should be approaching the government in very stern
5 | terms in this matter. I think even if we let Mr.
6 | Lougheed from Alberta take us over we wouldn't be too
7 | badly off.

8 | (LAUGHTER) Thank you, sir.

9 | (WITNESS ASIDE)

10 | THE COMMISSIONER: We're just
11 | changing a tape so we'll stop for a couple of minutes
12 | and then it's your turn, sir.

13 | (PROCEEDINGS ADJOURNED FOR FEW MINUTES)

14 |

15 |

16 |

17 |

18 |

19 |

20 |

21 |

22 |

23 |

24 |

25 |

26 |

27 |

28 |

29 |

30 |

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 THE COMMISSIONER: Well,
3 we'll come to order again, ladies and gentlemen. Well
4 come to order again, please. We'll come to order
5 again, ladies and gentlemen.

6 There was a gentleman here
7 that wanted to say something. Go ahead. Just give me
8 your name to start with.

9

10 IAN CHURCH unsworn:

11 THE WITNESS: Oh, Ian Church.
12 I'm not really what you'd call a northerner, I guess,
13 I've only been here a year. I may only probably be
14 here about four or five. I am one of these pseudo-
15 southerners but what I've seen so far at this hearing
16 here is a lot of people trying to come up with sort of
17 fast answers to solve immediate economic problems,
18 immediate employment or short-term employment; and then
19 after that, the boom is bust economy. Also this
20 transportation thing, and I guess as far as Fort Smith
21 or this whole region would be concerned in this area as
22 far as the pipeline goes, transportation has been the
23 story of Fort Smith for a long time. Has either
24 company looked into the transportation potential of the
25 Slave River system of possible roads and what have you?

26 THE COMMISSIONER: Yes,
27 that's a good question. The companies say they intend
28 to bring the pipe and most of the material by rail to
29 Hay River and then barge it down the Mackenzie, and the
30 Arctic Gas proposal would entail doubling the capacity

1 | us have been following your Inquiry, sir, in a very
2 | loose sort of way, and that it hasn't really affected
3 | us particularly in Fort Smith. It seems kind of remote
4 | from this particular point, and it wasn't until I got
5 | into Fort Resolution two or three nights ago that I
6 | could appreciate what this Inquiry is trying to do.

7 | I think even with all our
8 | interpreter corps and our daily newscasts both on T.V.
9 | and radio that there's so much information coming out
10 | that we don't either have the time, effort, or energy to
11 | absorb it. This is particularly true, I noticed in my
12 | own case and in the case of the people at Resolution,
13 | who even after you've been sitting for seven months,
14 | still didn't know the difference between a gas and an
15 | oil pipeline. I think somebody has fallen down in the
16 | examination of information if) you know, after seven
17 | months they don't know the difference, then there's
18 | something wrong with the information that's going out.

19 | THE COMMISSIONER: I think
20 | they know the difference; they don't realize this is a
21 | gas pipeline that's proposed and not an oil pipeline,
22 | and we find in Southern Canada in university professors
23 | and so on they think it's an oil pipeline. So -- but
24 | anyway, carry on.

25 | A One of the other points
26 | I think that is quite important is I think your
27 | Commission, sir, could have more impact than any other
28 | Commission that's ever hit the Northwest Territories,
29 | quite apart from the implications of any pipeline, oil
30 | or gas or whatever, because what I've seen happen

1 in just the two places I've been at is local people
2 have been getting together and discussing their common
3 problems and for the first time in many, many years
4 actually recognizing community problems for what they
5 really are, and hopefully there will be some rub-off on
6 this, that they will start trying to solve some of
7 these community problems. I think this is a very
8 important aspect of the Inquiry. It has brought people
9 together in the communities.

10 I feel that the native people
11 along the Mackenzie Valley are being, as they appeared
12 before this Inquiry, are almost being put in the spot
13 of having to make a decision whether they want it or
14 not, without really having any facts to base that
15 decision on. It's kind of a fear reaction rather than
16 an informed decision.

17 The training that the two
18 companies have talked about in view of the number of
19 employees, 5,000 or 6,000, whatever it was, and the 250
20 long-term employees, to train 100 people for that type
21 of thing it appears to me as tokenism, and also there's
22 a time element in here that we have to train these 100
23 or 200 or 5,000 in a time frame of about a year and a
24 half or two years, if this pipeline does go through.
25 It doesn't seem realistic to expect northerners to get
26 that well-trained in two years, so that people are
27 going to-have to come from the south, at least the
28 highly skilled ones. There just isn't sufficient time
29 to train them.

30 The other thing, as a business

1 man, an influx of 6,000 people would affect my business
2 for sure, and it could mean the difference between doing
3 our own printing or contracting it out. It might be
4 feasible to start printing our own paper but it's just a
5 short-term thing, it's a three-year thing, and you make
6 an investment and hope that the population going to stay
7 or do you have to go through extra costs just to finance
8 a short-term operation? This is where a lot of business
9 men are caught -- electricians, theatre owners, you name
10 it, drug stores -- to expand to fit the need, and hope
11 it maintains after the crash is over.

12 I think to a large degree the
13 leaders of both the native associations in the north
14 could be cutting off their nose to spite their face. I
15 think i they only realize that the pipeline could be an
16 opportunity for them to catch up, it could be if they
17 want to use it.

18 We carried a letter from a
19 fellow over in Fort Nelson in our paper a few weeks ago
20 -- last week, I guess it was -- and he said it much
21 better than I did. He feels the same as I have always
22 felt, that could use this to get ahead of the game, and
23 if they don't take this one big chance they may never
24 get the opportunity again to advance as far and catch
25 up with the rest of society for an awful long time to
26 come.

27 I, think there is still a
28 trapping economy but I think you probably found on your
29 way around that most of the active trappers are
30 probably 60 years and over, and probably some of them

1 THE WITNESS: My name is Ib
2 Christiansen. I spoke earlier today. The statement
3 that I'm about to read is not a statement that I have
4 written. I have promised to read it out. I had a
5 quick look at it and I agree with just about everything
6 that's in the statement, therefore I have no hesitation
7 on behalf of the person reading out this.

8 " Over the past few years the developments
9 in the north have been astounding, and the pos-
10 sibilities for future development is tremendous.
11 I speak of such developments as the creation and
12 expansion of a very functional Territorial ad-
13 ministration with a well-developed capital city,
14 Yellowknife, which has marked four years of
15 northern-based administration, rather than the
16 far-away Ottawa bureaucracy of days gone by. I
17 speak of the advances in the technology capable
18 of investigating and developing the preliminary
19 oil and gas reserves of the Arctic which has all
20 of the potentials to provide the delta area and
21 the Mackenzie Valley system with a giant magni-
22 tude of employment opportunities and possibili-
23 ties. I speak of the developments in the modern
24 modes of travel such as air, ground and water,
25 which are equal to that found in any other part
26 of the country, and which utilizes the natural
27 river system of the mighty Mackenzie to a very
28 high degree. I
29 speak of the development of the modern space
30 age modes of instant communication whereby

1 the utilization of many languages to inform the
2 public through both radio, television and tele-
3 phone are as up to date as in any other part of
4 Canada and in some cases using a space satellite
5 such as Anik, unsurpassed in this regard in few
6 places on earth. I speak of the development and
7 concern from so many for so few. Never before
8 has there ever been an attempt anywhere in the
9 world to contact the man on the street to ensure
10 his or her viewpoint has been stated. However,
11 with all of this development it would seem only
12 right that with it would go side by side an
13 equal gigantic effort to develop the skills and
14 understandings necessary to efficiently cope
15 with and take advantage of all of these develop-
16 ments that has occurred or are likely to occur.

17 I speak of the need for continued and
18 expanded efforts to meet the educational fa-
19 cilities requirement in the Northwest Territo-
20 ries. As you are aware, the educational fa-
21 cilities for adults now located in the Town of
22 Fort Smith have developed in the past six years
23 to attend the educational needs and employment
24 requirements to the entire Northwest. Territo-
25 ries. However, this is
26 just scratching 1 the surface. If the govern-
27 ments of Canada and the private sectors con-
28 cerned with pipeline developments in the North-
29 west Territories have spent millions on devel-
30 oping the technology, resources, transporta-

1 | tion, governments, and communications to meet
2 | their requirements to carry this out, they have
3 | only paid lip service to providing a comprehen-
4 | sive approach to meeting the educational re-
5 | quirements in this regard.

6 | Therefore I recommend that some imme-
7 | diate action be taken to promote and establish
8 | a Community College in sort Smith which should
9 | be sufficiently funded to meet the educational
10 | and training requirements demanded by the oil
11 | development of the pipeline in line to train
12 | and educate the human resources located in the
13 | Northwest Territories.

14 | I must give you a quote: 'Give a man a
15 | loaf of bread, he will eat for a day. Train a
16 | man how to do a job and earn a loaf of bread, he
17 | shall eat for a lifetime.'

18 | Thank you."

19 | THE COMMISSIONER: Thank you,
20 | Mr. Christiansen, I wonder if we could have that
21 | written statement so we may mark it as an exhibit?
22 | Thank you.

23 | (SUBMISSION BY I. CHRISTIANSEN MARKED EXHIBIT C-226)

24 |
25 | THE WITNESS: Mr. Berger, I
26 | have my own few thoughts from this afternoon and from
27 | the evening, if I could elaborate just a couple of
28 | things. They may not fall in any specific order
29 | but I know that if I don't say it now I may never get
30 | a chance to speak up again, and I feel that I have to

1 | say it.

2 | Much was said today about
3 | transportation, just prior to Mr. Leishman got up. The
4 | town brief mentioned transportation in more than one
5 | regard, it mentioned that should the pipeline be built,
6 | there would be a tremendous use of the existing
7 | highways from outside through the Northwest Territories
8 | and then out to the delta, and it was mentioned that
9 | maybe even the highway possibly could be destroyed by
10 | that much traffic, as it isn't designed for that heavy
11 | traffic.

12 | It was also mentioned earlier
13 | the use of the waterways from Fort McMurray, the
14 | waterways, and to Fort Fitzgerald, and again from Bell
15 | Rock to wherever the shipment has to go. The
16 | possibilities are there, it's been done before, I'm
17 | sure it's a very, very feasible way of transport, and
18 | perhaps even with some study will prove that it may be
19 | cheaper. However, just a little step further. I don't
20 | know if you have followed this town's endeavor to get a
21 | road, a second road system in from the outside world.
22 | This is a matter of building a road from Fort McMurray
23 | along the river into -- unfortunately through the park,
24 | and to the existing highways or roadway into Fort
25 | Smith. In my mind, I think the pipeline will be a
26 | reality. Also I think 'that the road from Fort
27 | McMurray to Fort Smith will be a reality. It is only a
28 | matter of time in both cases.

29 | The road from Fort McMurray
30 | could in the winter be pushed in, if you like, all the

1 rest of the way, it's maybe, well at least a third of
2 the way anyway, maybe half the distance now, and be
3 used for transportation of pipes to be loaded off at
4 Bell Rock and then in the summertime when the river
5 breaks up it could be shipped to wherever these pipes
6 are needed.

7 It would not only alleviate a
8 lot of pressure on the existing highway into Hay River,
9 it also would be a much shorter and much more
10 economical way of transporting pipes and pipeline
11 material, whatever it may be.

12 Enough of that. We talked a
13 little bit earlier about spur lines and feeder lines of
14 gas into communities, and it was stated that Fort Smith
15 is really far away from even being considered for a
16 spur line. I agree with that, as far as I'm concerned
17 I couldn't care less whether we get a gas line into
18 Fort Smith. I don't think it's going to do anything
19 for the community. However, speaking of the future
20 again, like I said, I believe that the pipeline is
21 going to come in, I believe a road from Fort McMurray
22 is going to be a reality. I believe that a power dam
23 is going to be a reality, whether I like it or anybody
24 else like it or not, it's going to happen, there is
25 going to be a need and that need is going to have to be
26 fulfilled.

27 When this happen, and I believe
28 it won't be that long, I would like to see Fort Smith
29 receive the benefit of a power hydro like Inuvik would
30 benefit from well-head price for their gas because they

1 | have the gas right outside their door. We would have the
2 | hydro right outside the door and I think that it would be
3 | very appropriate to let us benefit from this.

4 | The matter of what the
5 | pipeline is going to do for Fort Smith or to Fort Smith
6 | in the matter of impact or when they go ahead and
7 | construct, I think it's hard for anybody to say. We
8 | have right now, Mr. Berger, between 100 and 150
9 | families on welfare in Fort Smith. We also have a
10 | shortage of labor, qualified tradesmen, an acute
11 | shortage of tradesmen. If the pipeline is going to be
12 | built we are going to be ruined, next to being ruined,
13 | a lot of these tradesmen, I wouldn't say all of them
14 | but a great many of these tradesmen and maybe most of
15 | them will find that they can earn a lot more money by
16 | going to work for half a year on the pipeline than they
17 | can working for a year in Fort Smith, and I couldn't
18 | blame them for leaving the town. It's going o drain
19 | this community completely. We are not doing so well
20 | right now, it's going to be a dreadful thing if this
21 | ever comes about.

22 | I have lived here, Mr. Berger,
23 | only for 4 1/2 years, and I'm getting a little bit tired
24 | of hearing that I am not a northerner, I only just came
25 | up. Sure, I just came to the country 18 years ago, 19
26 | years ago. I have tried to -- I lived right across
27 | Canada, I seen Canada by my own choice, from east to
28 | west, and I decided to come to the Northwest Territories
29 | to see what it was like. I came to Fort Smith. I love
30 | it here. Right now I figure that I'm going to stay

1 | here, and I feel that if I make a choice like that I
2 | should be part of the development of Fort Smith. I
3 | should be part of deciding what is good for the town and
4 | what isn't. I've been on, as I've stated, I'VE been
5 | here a bit more than four years, 4 1/2 years or so. For
6 | three years I've been on the Town Council. I figure
7 | that I have contributed to this town. I've now been
8 | told that as far as some people are concerned, in order
9 | to qualify for being part of the development of the
10 | Northwest Territories and particularly my own community
11 | I would have to be in Fort Smith or in the Northwest
12 | Territories for something like ten years. I refuse to
13 | believe that this could be a criteria. I can see how
14 | this could affect me. I agree that a great many people
15 | come and go but if a person decides that this is going
16 | to be his or her home, I believe that that person should
17 | have a chance to be part of the community.

18 | I think, Mr. Berger, that
19 | that was about all I scribbled down for a few comments.
20 | I thank you very much for listening.

21 | THE COMMISSIONER: Thank you,
22 | Mr. Christiansen.

23 |
24 | (WITNESS ASIDE)

25 | THE COMMISSIONER: Does
26 | anyone else wish to say anything or -- yes sir?

27 |
28 | BILL LISK, unsworn:

29 | THE WITNESS: Yeah, who is
30 | the National Energy Board and what are they going to do

1 | about native people?

2 | THE COMMISSIONER: Give me
3 | your name for the record.

4 | A Bill Lisk.

5 | THE COMMISSIONER: Well, the
6 | National Energy Board is a Board consisting of seven
7 | men who are appointed by the Federal Government to hear
8 | cases where people want to build pipelines. The
9 | Federal Government appointed this Inquiry so that the
10 | concerns of native people would be brought before this
11 | Inquiry, before me, and then I could tell the Federal
12 | Government what they were, and it's not for me to say
13 | what the job of the National Energy Board is in that
14 | regard, but the Federal Government has made sure that
15 | the concerns of native people will come before it
16 | because they have sent me here to find out what the
17 | concerns of native people are, and the concerns of
18 | white people who live here, but I can't say what the
19 | National Energy Board's attitude is because --

20 | THE WITNESS: What do you
21 | mean by "seven people", are they the ones who decide?

22 | THE COMMISSIONER: No, they
23 | make a recommendation to the government and I make a
24 | recommendation to the government, and then the Government
25 | of Canada, Mr. Trudeau and his colleagues, they decide
26 | and they were elected to decide, that's the way it is
27 | in a democracy. I am just a judge and I wasn't elected
28 | by the people of Canada to decide whether there
29 | should be a pipeline. I'm here to make sure everybody
30 | gets a fair hearing and to report to the government and

1 | to recommend what they ought to do.

2 | THE WITNESS: Well, I thought
3 | the judge decided, not the --

4 | THE COMMISSIONER: Well, if
5 | it's a Court case the judge decides; but this isn't a
6 | Court case.

7 | THE WITNESS: Oh, I see.

8 | THE COMMISSIONER: I'm
9 | moonlighting.

10 | (LAUGHTER)

11 | Except I'm not getting paid for it.

12 | THE WITNESS: Well you said
13 | beforehand that you were the judge to decide.

14 | THE COMMISSIONER: No, no, I
15 | said that I'm not here to decide. I'm here to listen.

16 | THE WITNESS: You said that
17 | before when you sat down.

18 | THE COMMISSIONER: I must
19 | have been misunderstood then. That's my fault. Maybe
20 | that was when I was speaking in French.

21 | (LAUGHTER)

22 | THE WITNESS: That's what
23 | happened to the natives, the interpreters misunderstood
24 | and the white guys and you guys kind of misunderstood
25 | what I was trying to say to you, and you misjudged it
26 | or some place or else, and we took your words but you
27 | said it and that's what --

28 | THE COMMISSIONER: Well, we
29 | do, I do my best to understand what people are saying
30 | to me, and I should say that when we come back here to

1 | Fort Smith, that is we will later in the fall, we will
2 | be here to listen to the views of the native
3 | organizations and the Chamber of Commerce and others
4 | who haven't -- weren't ready on this occasion, and if
5 | they wish it, there will be interpretation in the
6 | native languages, and in each native village we have
7 | had everything that has been said interpreted for the
8 | people living there. Yes?

9 | THE WITNESS: May I say something?

10 | THE COMMISSIONER: Yes.

11 | THE WITNESS: I say that the
12 | pipeline goes through trappers' lines, and let's say
13 | the pipeline is busted, lets say through the area. Can
14 | they get compensation for that? It destroyed the land
15 | so they can't trap any more, would they get Any money
16 | for that?

17 | THE COMMISSIONER: Well, I
18 | think that I can tell you that it's already been urged
19 | at the hearings that if that happens, then they should
20 | -then the people whose traplines are destroyed, or
21 | anybody else -- let me finish -- that they should be
22 | compensated, and both the companies say that that's
23 | their policy. Go ahead.

24 | THE WITNESS: What if it
25 | destroys about one-third of the land, can they get the
26 | whole thing?

27 | THE COMMISSIONER: Well, it
28 | would depend on what was fair compensation.

29 | THE WITNESS: Just say oil
30 | spills on their good hunting grounds and they turn

1 | around and try to get -and they say, "You destroyed my
2 | land and we want some money for that," what would you
3 | say? What would those other companies say?

4 | THE COMMISSIONER: As far as
5 | I'm concerned, that would be a case for fair
6 | compensation, but I'm not -- I must be missing
7 | something in what you're saying because it seems to me
8 | that if a pipeline is ruptured and there is a break,
9 | and a fire and someone's trapline is damaged or
10 | destroyed, they're entitled to be compensated. I'm
11 | only saying that because both companies have told me
12 | that that's what they say too. Go ahead.

13 | THE WITNESS: Say if that
14 | happened to destroy their cabin, the trapline and
15 | their cabin and that, and just like let's say in
16 | Wrigley and they have a trapline right close to it,
17 | and it might have destroys the trapline and their
18 | home, they just might have a forest fire, the
19 | pipeline is bust because -- what would you say about
20 | that?

21 | THE COMMISSIONER: The same
22 | thing, fair compensation. If you gentlemen object to
23 | anything

24 | THE WITNESS: How much would
25 | you pay? How much would you be willing to give
26 | moneywise?

27 | THE COMMISSIONER: Well that
28 | would depend on the case.

29 | THE WITNESS: What do you mean
30 | by "depend"? One mile or two mile, what do you mean by

1 "depend"?

2 THE COMMISSIONER: Pardon me?

3 THE WITNESS: What do you
4 mean, one mile, two miles? Just say you destroy one
5 mile or half a mile, will you pay me \$100,000? O.K.,
6 do you think that's guaranteed, what would you say,
7 that's no good or is it bad?

8 THE COMMISSIONER: It would
9 depend on whether it would cost you \$100,000 to replace
10 your cabin. It might not cost you \$100,000.

11 THE WITNESS: I said cabin
12 and trapline.

13 THE COMMISSIONER: All right,
14 it would depend then how much it would cost you.

15 THE WITNESS: That's two
16 different things, eh?

17 THE COMMISSIONER: All right,
18 take them one at a time. How much it would cost you to
19 replace your trapline, how much you had lost because
20 you couldn't trap during the period of time you are
21 waiting for it to be replaced. All of those things
22 would be taken into account.

23 THE WITNESS: Just like this,
24 O.K. I have martin and mink come down there to have a
25 good feed there, and you lost their whole feed for
26 winter, this is going to cost me \$100,000 plus my
27 cabin, and it cost another \$50,000.

28 THE COMMISSIONER: Well, this
29 is a world where I don't think anyone would say, "Sure,
30 I'll take your word for it. Someone would want that
to be backed up, to be substantiated. Even the most --

1 | well, let me put it this way --

2 | THE WITNESS: Not only the
3 | cabin, but talking about furniture-wise, should
4 | something happen with 10,000 furs in that cabin, and
5 | they are lost all because of --

6 | THE COMMISSIONER: Let me put
7 | it this way, if I were considering the case and I were
8 | satisfied that there was \$10,000 worth of furs in
9 | there, I would say, "Sure, you ought to be paid."

10 | THE WITNESS: Maybe more,
11 | there's \$59,000 worth of cabin and another 10,000 worth
12 | -- that's 60,000 more, eh, and how could I prove I lost
13 | so much because I was down in the bush and had no
14 | receipts or anything like that? Just say I had a good
15 | year of trapping.

16 | THE COMMISSIONER: That's a
17 | good point. There are cases where fair compensation is
18 | paid because someone --

19 | THE WITNESS: What do you
20 | mean by "fair"? I don't understand you.

21 | THE COMMISSIONER: Well, let
22 | me explain it then.

23 | THE WITNESS: Well, put it
24 | words so I can understand it.

25 | THE COMMISSIONER: Well, I'm
26 | doing the best I can. If you come in and you say,
27 | "Well, I had so many beaver pelts there, so many
28 | muskrat pelts, whatever," and you're believed, and it's
29 | a case where you hadn't taken them to town, you had no
30 | receipts or anything.

1 THE WITNESS: There is no
2 guarantee. O.K.?

3 THE COMMISSIONER: Well, let
4 me finish; then in a case where it seemed clear that
5 you were telling the truth, I have no doubt you'd be
6 paid. I don't want to pursue this line of discussion
7 because I don't think we're getting very far with it,
8 but you raised a couple of things, that I want you
9 people from the pipeline companies to think about.

10 (1) is I said "replacement cost" and I want you to
11 think about that and make submissions to me about it.

12 Now suppose this gentleman's
13 trapline, suppose he said, "Well, you destroyed my
14 traps, because of a fire in the bush, because the
15 pipeline broke and the gas caused a forest fire."

16 Now, if you say -- if you,
17 the pipeline people say, "Well, those traps were all a
18 bunch of old traps, if he'd gone to a store they were
19 all second-hand, he couldn't have gotten more than \$50
20 for them--"

21 THE WITNESS: Who said?

22 THE COMMISSIONER: Let me
23 finish, please. But let us suppose that it would take
24 \$500 or 1,000 to replace them, then the question would
25 arise, is he entitled to replacement cost or market
26 value? Now I'm just telling these pipeline people
27 you've raised an issue that I want them to tell me what
28 their position is on that issue, not now but in due
29 course. Their lawyers will read this transcript and
30 they'll be studying it. The other question -- I've

1 | forgotten what the other question was you raised. At
2 | any rate, that's a good point.

3 | THE WITNESS: Listen, if you
4 | were trapping, let's say, then lightning comes up, you
5 | know there's lots of lightning in the north here that
6 | causes a lot of forest fires, so let's say there's one
7 | on the pipeline, let's say it destroys the traplines
8 | and cabin and what authority does he get moneywise?

9 | THE COMMISSIONER: Would you
10 | repeat that? Maybe it's -- no, go ahead.

11 | THE WITNESS: Well, it's O.K.
12 | -- O.K., you know there is a lot of lightning that
13 | cause a lot of forest fires here. Say the pipeline it
14 | hit one of these pipes and the cabin of one of the
15 | trappers, say maybe around Good Hope, and it strikes
16 | and it start the fire and he lost the cabin, what
17 | benefit is he going to get out of it?

18 | THE COMMISSIONER: You mean
19 | would the pipeline company have to pay because it was
20 | lightning that did it, and --

21 | THE WITNESS: Well, maybe the
22 | fire just say the lightning had already started a leak
23 | and somehow the fire started.

24 | THE COMMISSIONER: Yes. Well,
25 | all right I'm not going to try to answer that now but I
26 | want the pipeline companies to think about the point
27 | you've made. That is if the lightning strikes the
28 | pipeline and it ruptures and there's a forest fire and
29 | damage is caused to a trapper's cabin or a trapline,
30 | should you have to pay for what many would call an act

1 of God? Now that's something you might want to
2 consider. That's a good point.

3 A VOICE: How about --

4 THE COMMISSIONER: Excuse me,
5 one more here and then we'll come to you.

6 THE WITNESS: What I mean,
7 let's say it's our lake and the oil starts to leak all
8 over the land and the people are just sitting there
9 saying, "This is destroying my land," and you know,
10 what are they going to get out of it? Are they going
11 to get anything out of it for destroying the land?
12 Just like in a river, eh, the pipeline is going
13 through, it across the river; what if the two pipe
14 collapse and it flood the whole thing and it starts
15 flooding and the oil stuck around and starts flooding
16 and destroys all the environment and the earth and all
17 them things, you know, what guarantee have we got ?

18 THE COMMISSIONER: Well,
19 let's put it this way. People from the native
20 organizations have come before this Inquiry and have
21 said they want their land claims settled before a
22 pipeline is built.

23 THE WITNESS: What if --

24 THE COMMISSIONER: Excuse me.
25 You know I can't answer any of these if you don't give
26 me a chance to answer them before you go onto your next
27 question. Their argument is that if that isn't done,
28 if their land claims aren't settled and their rights
29 aren't acknowledged before a pipeline is built,
30 then if you build a pipeline without settling their

1 | claims then if there's an oil spill, let us suppose
2 | it's fuel oil they are using in construction of a gas
3 | pipeline, or it's an oil pipeline later on, then they
4 | say, "We don't get anything out of it." That's one of
5 | their arguments. It's an argument I've been --

6 | THE WITNESS: Who is "they"?
7 | Who are you talking about, "they"?

8 | THE COMMISSIONER: The
9 | native people, that's one of the arguments they put
10 | before me.

11 | THE WITNESS: What I was
12 | saying, let's say there's a pipeline across the river
13 | and the thing collapses, and the stuff is flowing down
14 | the river, and it kills a bunch of the fish and the
15 | fish don't go down the river and that, who is going to
16 | be responsible for that? Are they going to get any do
17 | not benefit out of that, or do not get any compensation
18 | out of that?

19 | THE COMMISSIONER: Well,
20 | that's a good question. Some of these are quite
21 | profound questions that we will be tackling later
22 | on in the Inquiry. You're saying let's suppose
23 | right now the gas pipeline they want to build goes
24 | under the Mackenzie River at a number of places. To
25 | make the example easier to understand, suppose that's
26 | followed by an oil pipeline under' the river, and let's
27 | suppose that during breakup or some time like that,
28 | there' a break in the line, it heaves up into the river
29 | and the oil spills down the river and the fish, one or
30 | more species of fish is destroyed. There might be

1 individual claims but that probably doesn't cover all
2 the damage that's done to the whole of the river and
3 the resources of the river and the people who live on
4 the river. Really what that highlights is the
5 necessity of taking a hard look at these engineering
6 proposals they are making now to see if they can build
7 a pipeline where that doesn't happen, and that's what
8 we're doing at the formal hearings in Yellowknife.

9 THE WITNESS: What if it does
10 happen? They are telling the people that it won't
11 happen. What if it does happen and the guys turn around
12 and he says, you know, you make a bid, an agreement
13 with the people that it won't happen at all and it does
14 happen, and the native people just won't be any place.

15 THE COMMISSIONER: That's -- I
16 think you've got a good point, if it does happen, then
17 the people on the river are going to be the losers.

18 THE WITNESS: What's the
19 guarantee they are going to get?

20 THE COMMISSIONER: The only
21 guarantee they've offered is that their engineers say
22 that they can build it safely. Other engineers have
23 come before the Inquiry and have said, given their
24 present plan, it can't be done safely. That is what
25 we're still considering.

26 THE WITNESS: How many years
27 have they been saying that across the country?

28 THE COMMISSIONER: Well, that's--

29 THE WITNESS: It's going to be
30 say a big tanker crashed between the rocks, and you

1 | know, the cargo being busted, and the oil being spilled
2 | and the tanker being busted, you know and like in
3 | McPherson, you know you have thousands of gallons of
4 | spills in oil and what have people got from it?
5 | Nothing. The company went there to clean it up and they
6 | got nothing out of it, You see, there is no guarantee
7 | when the companies say, "We are going to pay you so much
8 | if the tanks spill."

9 |
10 | You know, I don't think
11 | that's right.

12 |
13 | THE COMMISSIONER: Well, what
14 | I'm saying to you is look, I don't have the answers to
15 | all these questions -- no, wait a minute, I'm going
16 | around trying to see if we can find some answers; but
17 | your point is a good one because if you did have a very
18 | serious spill, there's really no way you can give
19 | everybody in the Northwest Territories \$50 and say,
20 | "O.K., everybody's happy now," and don't worry about it.
21 | That's the kind of issue we're facing in this Inquiry.

22 |
23 | THE WITNESS: There's a lot
24 | of serious spills I know.

25 |
26 | THE COMMISSIONER: Well, I think
27 | we've all read about serious spills all over the world.

28 |
29 | THE WITNESS: What do they do
30 | about it if the fish dies then the dogs, you know,
31 | dining on it and it kills them, what do they-do about
32 | it? It's just like --

33 |
34 | THE COMMISSIONER: All right.
35 | Well, I think I'll call our discussion to an end and
36 | it's been a good one and I think you've raised some

1 | excellent points.

2 | (WITNESS ASIDE)

3 | THE COMMISSIONER: Somebody
4 | else here wanted to say something, and there may be
5 | some others, so we'll -- yes sir? Yes sir, I think
6 | we've reached you again.

7 | FRANK LAVIOLETT, unsworn:

8 | THE WITNESS: I'd like to
9 | make a comment that goes back to 1942, and I might say
10 | about --

11 | THE COMMISSIONER: You might
12 | come up here if you like and sit down at the
13 | microphone, if you don't mind.

14 | THE WITNESS: No, it's O.K. I
15 | stay here. I think about 90% of the people here today
16 | right here have never seen Fort Smith in 1942. I don't
17 | know what all the worry's about five or 6,000 people
18 | coming in through the whole Mackenzie Valley, and in
19 | 1942 we had about 5/6,000 soldiers land in Fitzgerald
20 | overnight, and there's so many bums here tonight saying
21 | people shouldn't work at the jobs, and they are the
22 | people that have got time to play a great part in the
23 | CANOL project right from Fort McMurray down into CANOL
24 | Camp, they were river pilots, skippers, cat skippers,
25 | truck drivers, you name it, over night and I think they
26 | took a great part in the CANOL project, and at that time
27 | they probably had 26,000 men rather than 6,000 men, and
28 | I don't think it hurt the north any. It built airports,
29 | highways, it didn't build the whole set of highways but
30 | they built many short highways. They built the

1 | communities. I think probably about half of us here
2 | today, I recall it myself, worked hard to get this hall
3 | built many years ago, once we started. It took me five
4 | years to get it going, and the young people today, they
5 | are talking about shutting off oil and if there's no
6 | oil, they think if the oil companies shut off the oil
7 | we'd have to go back to wood-cutting. It is bad enough
8 | to cut wood and haul it out, and some of these guys are
9 | against oil pipelines are staying in high rises seven
10 | flights up. It's going to be darn hard to pack wood up
11 | there in the winter.

12 | (LAUGHTER & APPLAUSE).

13 | (WITNESS ASIDE)

14 | THE COMMISSIONER: Anybody
15 | else tonight? Yes, ma'am?

16 | MS. IRENE GILMORE sworn

17 | THE WITNESS: My name is
18 | Irene Gilmore and I'm a nurse. I've lived in Fort
19 | Smith just slightly over three years, so I consider
20 | myself a newcomer. I hadn't intended to speak here
21 | tonight but I think Mr. Christiansen hinted at some of
22 | the dislocations that we're going to face in the north,
23 | the dislocation for Fort Smith and the decline of
24 | population probably if the pipeline goes through, and
25 | the sudden increase in population in other places if
26 | the pipeline goes through.

27 | I think all of us who have
28 | lived here in Fort Smith over the past year have seen
29 | the impact that a small construction project made on
30 | Fort Smith, the addition to the High School, and I

1 think it contributed a lot to increased use of liquor,
2 and increased delinquency of minors. I suggest, you
3 know, that we're going to see more of this problem both
4 in Fort Smith, if the population declines, and we're
5 faced with shortage of work for people, and also with
6 sudden influx of many strangers into the other
7 communities; and I suggest that all levels of
8 government, the native organizations, and the oil
9 companies should be preparing for this.

10 You know, I haven't heard
11 anybody talking tonight about the human services that
12 will be needed, the increased need, you know, for
13 doctors and for nurses, the social workers, and you
14 know, I think there's a great opportunity for
15 northerners to participate. I don't know of many
16 northerners that are presently in training for these
17 professions, and I just make a plea to you people who
18 are here tonight, you know, to encourage the input of
19 northerners into these professions so that they can
20 contribute and be prepared to serve their own country,
21 their own people.

22 I know the Registered Nurses'
23 Association was just newly formed in the Northwest
24 Territories, the Registered Nurses' Association was
25 just newly formed, and one of our aims is to recruit
26 northerners into the profession. But there are
27 presently very few northern girls training for either
28 nurses or nursing assistants, and I don't really know
29 of anybody that's training to be a doctor. You know, I
30 think that we should thinking, you know, there's jobs

1 | here in these fields for people, not just as truck
2 | drivers and pipe-fitters and those :types of things.
3 | Thank you very much.

4 | THE COMMISSIONER: Thank you
5 | very much.

6 | (WITNESS ASIDE)

7 |

8 | GEORGE CADUSKI unsworn:

9 | THE WITNESS: My name's
10 | George Caduski. I don't have a formal presentation
11 | prepared for this Inquiry today, but I will have one
12 | for the next one. What I'd like to say is that before
13 | a pipeline is constructed, I think that the issue of
14 | land claims and aboriginal rights have to be settled,
15 | and well my reasoning for that is that what's at stake
16 | right now in this Pipeline Inquiry is more than just
17 | whether or not to build a pipeline. I think one of the
18 | things that is at stake here today is what type of
19 | control northern people have over the types of so-
20 | called development that is happening up here, whether
21 | northern people control the type of development that
22 | happens to the north, whether the people have any type
23 | of control over what happens to their lives because of
24 | that type of project, I wouldn't call it development
25 | because I don't think development or any project like a
26 | pipeline can be called "development" if the people do
27 | not agree with it; if the people don't agree with a
28 | project that is being initiated up here, then that
29 | project would be exploiting whatever non-renewable or
30 | renewable resources that it's after. I think in order

1 | for any project that is happening up here to be termed
2 | a developmental project, the project first has to be
3 | approved by the people that it's going to affect
4 | directly, and the people who own the land that it's
5 | going to affect, and the people whose lives it's going
6 | to affect.

7 | I think beyond the economic
8 | development of the north what's at stake today also has
9 | to do with the political, social -- and social
10 | development of the north. I think just we shouldn't
11 | limit the Inquiry to just the pipeline, and I, in
12 | watching the different proceedings and listening to
13 | what's happening in the community hearings, I ,can see
14 | that that's not happening and people are talking about
15 | development in general, not just the pipeline but all
16 | development that is happening in the Northwest
17 | Territories. People are talking about more than that.
18 | They're talking about the political development of the
19 | Northwest Territories too, and that gets back to how
20 | much control northern people do have over any type of
21 | project that is initiated up here by a company or a
22 | multi-national corporation or whatever.

23 | I think that in order to
24 | agree with the pipeline first of all, that people are
25 | going to have to benefit because of a pipeline passing
26 | through the Northwest Territories, and from what has
27 | been coming out in the community hearings and in the
28 | formal hearings in Yellowknife, it seems to me that
29 | there not going to be that much benefit to the
30 | people whose lives it is going to affect, and whose

1 | land it is passing through, or is proposed to pass
2 | through.

3 | The social impact of a
4 | pipeline I think is going to be -- it's going to have
5 | quite an impact on the -- well, socially to the
6 | Northwest Territories, and Mrs. Gilmore brought up a
7 | good point that what a lot of people are thinking about
8 | in terms of employment is just employment on the
9 | construction of the pipeline and maybe 250 jobs after
10 | the pipeline is constructed, if it is.

11 | I think if it is going to be-
12 | if employment from a proposed pipeline is going to be
13 | discussed, I think we ought to go beyond that and see
14 | exactly how much input and control will the people of
15 | the Northwest Territories have over such a project, and
16 | any other project. The Town Council did bring up a few
17 | things on certain developments that they predict will
18 | be happening in and around Fort Smith, like the road to
19 | McMurray and the dam on the Slave River. I think for
20 | things like that to come about the people have to be
21 | directly involved in it in maybe in such a way as this
22 | Inquiry is involving the northern people in finding out
23 | their views about what they think on the whole pipeline
24 | issue, and I think even for a community development
25 | projects such as a road to McMurray, a dam on the
26 | Slave River, that people first have to be consulted for
27 | their ideas, and it might be a good idea for a Town
28 | Council to think about holding a smaller type of
29 | Inquiry like the Berger Inquiry, I think a lot
30 | of good things are coming out in the community hearings

1 and in the formal hearings, people are becoming more
2 aware of what actually is happening in terms of
3 development in the north, and it's bringing out a lot
4 of things about the political development of the north
5 and the social development of the north.

6 So if -- well, just in
7 conclusion, if any type of development is to happen in
8 the north, I'd first like to see the people that it's
9 going to directly affect agree with it; and if the
10 people do not agree with it, then I wouldn't term it
11 'development' because it wouldn't be developing the
12 people along with whatever -- well, whatever they
13 propose to develop. It would be just exploiting
14 whatever the people who want to implement such a project
15 to take out non-renewable resources or renewable
16 resources, and I think before any of that should be --
17 or should happen, that people in the Northwest
18 Territories should first of all be recognized by the
19 Federal Government of Canada.

20 I think as the authority on
21 deciding what happens in the Northwest Territories, I
22 think if we're to -- I think the majority of the people
23 can make decisions on what they want to happen to
24 themselves and to the Northwest Territories, so I think
25 the Federal Government should put more emphasis on who
26 is actually making the decisions as to what happens up
27 here, and they should be giving more authority to the
28 northern people in deciding what is to happen up here.

29 We haven't worked out a definite
30 date yet for the Inquiry that -- the second time you are

1 | coming back, but at that time I think we'll have some
2 | more people out and I'd like to say that in following the
3 | Inquiry as it's been going through its community hearings
4 | and formal hearings, that it's doing an effective job, as
5 | effective as it can be right now, in bringing the
6 | northern people's views forward to well, the public eye
7 | and southern Canada and the Federal Government. Thank
8 | you.

9 | (WITNESS ASIDE)

10 | THE COMMISSIONER: Well, it's
11 | getting a little late. I think we'll hear perhaps from
12 | one more and then adjourn. Yes sir?

13 | ROGER BRUNT unsworn:

14 | THE WITNESS: My name is
15 | Roger Brunt.

16 | THE COMMISSIONER: Do you
17 | want to go to that microphone? It's only a step away
18 | and --

19 | THE WITNESS: Yes, Everyone so
20 | far has been talking as we have a choice, and when oil
21 | companies or gas companies are going to spend billions
22 | and billions of dollars, somebody some place must feel
23 | that there is no choice, and maybe we could get the
24 | representatives from the two companies to sort of fill
25 | us in on the international and national picture of
26 | really is there a choice? Is it inevitable that we have
27 | to develop this gas, or can it sit there for another 20
28 | or 30 years and it won't bother us very much?

29 | Like for instance, any gasoline
30 | produced from oil from the Arctic seems to be at least

1 ten years away, optimistically ten years away, probably
2 15 or 20 years away. What kind of a price would we be
3 looking at if we don't get it as compared to if we do get
4 it?

5 Right now oil and gas has
6 doubled in price here in the last year or two years.
7 If the gas comes down the pipeline, I doubt very much
8 if it will lower the price, but will it help us to keep
9 the price from going farther? Maybe these gentlemen
10 can elaborate on that. Thank you.

11 MR. MIROSH: Well, we have
12 had consultants doing studies for us to determine what
13 the total oil and gas and energy picture is in Canada
14 primarily because we're in the transportation business
15 and of course to keep on top of that we want to see how
16 we can expand our business.

17 Now our consultants have
18 shown us -- and I'll only speak about natural gas
19 because that's primarily what I know about -- but our
20 consultants have shown us that the rate of consumption
21 of natural gas in Canada has been growing continually
22 at about 6 or 8% per year. Primarily it's used for
23 heating houses, but it's also used for making chemicals
24 which eventually make synthetic fabrics and plastics.
25 It's also used for heating purposes and industry such
26 as in steel-making, so that basically it's a function
27 of how many people there are, how many houses there are
28 in the country, and how we want industry to expand.

29 So based on these predictions
30 we have drawn projections and we also at the same time

1 know what the total, or at least have predictions of
2 what the total gas supply is in Alberta, and in
3 Saskatchewan, and in British Columbia, which are the
4 primary producing areas for natural gas. If you put
5 these two things together then it looks like we begin
6 to run short of natural gas, in our opinion and in our
7 consultants' opinion, in about 1977. In other words,
8 about 1977 or thereabouts we will not in Canada be
9 producing enough gas to fill the needs that we would
10 need to grow, as we have been in the past.

11 Now there's not much quarrel
12 between what our consultants give us and what other
13 people in the oil business have developed, and there
14 have been hearings that have established that there is
15 a fairly good consensus of opinion in Canada on that.
16 So what it means is that if we don't bring natural gas
17 from either the north or elsewhere in Canada, in the
18 near future, then we will have a shortage and the
19 likely way that shortage will be replaced is that we
20 won't cut back expanding or we'll not want to cut back
21 production in Canada because that will mean
22 unemployment, but we'll import instead, oil from
23 Venezuela and the Middle East or other places, and the
24 oil will be priced at the world level, which is \$12 a
25 barrel about today, and it could be higher tomorrow.

26 Now bringing our own natural
27 gas. down will likely not be any cheaper than importing
28 oil right now, but it will tend to stabilize world prices
29 to a degree. In other words, the more people that
30 dependent on sources of Middle East energy or other

1 energy, the more countries that are dependent on that,
2 the more likely the price is to be jacked up because
3 there is a demand. The less countries that are dependent
4 on this fuel, the less likely that price is to go up.

5 So in a sense, developing our
6 own reserves (and we should be doing this soon, in our
7 opinion), will help to keep prices from going higher,
8 but the price of gas will likely be fixed to whatever
9 the imported price of oil is, there will be an
10 equivalence between that so that it won't bring prices
11 down.

12 THE COMMISSIONER: I take it
13 you subscribe to all of that, Mr. --

14 MR. CARTER: Mr. Mirosh is
15 much more knowledgeable about those things than I am
16 and I do, sir.

17 THE COMMISSIONER: Well,
18 we'll have one more person. Just before you go ahead,
19 sir, let me say that the matters that Mr. Mirosh
20 discussed are for the National Energy Board, not for
21 this Inquiry, and I've got enough to worry about
22 without trying to sort out whether Mr. Mirosh is right
23 or wrong in his analysis.

24 THE WITNESS: Just one other thing
25 along the same line, what kind of reserves are we looking
26 at, five years, 10 years, 100 years? How much known
27 reserves are there now, at the present rate of consumption?

28 MR. MIROSH: Well, the present
29 gas reserves in the Mackenzie-Beaufort area, which is
30 the area this pipeline would come from, are proven at

1 | between 6 1/2 and 7 1/2 trillion cubic feet. Now what
2 | this means is that a pipeline such as the one that
3 | Foothills is proposing could carry 1.2 billion cubic feet
4 | a day for 20 years. But there hasn't been much
5 | exploration activity up there in the recent past due to a
6 | number of factors, and again our consultants and others
7 | predict that the reserves there are considerably higher
8 | than that, once they start exploring again. WE predict -
9 | - our consultants predict that the reserves are probably
10 | five or six times that level. Canadian Arctic Gas
11 | predicts that the reserves are 18 or 12 times that level.
12 | So that it is likely that there is sufficient gas there
13 | to meet our short-term needs, but even if this pipeline
14 | is built there will be the need for further reserves to
15 | be discovered elsewhere.

16 | THE COMMISSIONER: Well, I
17 | think that's all.

18 | (WITNESS ASIDE)

19 | THE COMMISSIONER: You go
20 | ahead, sir, and --

21 | CHIEF GERRY CHEEZIE, unsworn:

22 | THE WITNESS: My name is
23 | Gerry Cheezie, and I'm the chief of the Fort Smith
24 | Indian Band. We don't have a brief at this time to
25 | present as you are coming back, I think, at a later
26 | date.

27 | But at this time as an
28 | individual I think I'd like to say something.

29 | THE COMMISSIONER: Go ahead.

30 | THE WITNESS: As in any Story

1 | on development of any kind I think there's two sides of
2 | the story, and at this time I think I'd like to bring
3 | you a story through the eyes of I think a lot of native
4 | people, and the kind of ways they feel about
5 | development. I think this is the feeling I think you
6 | felt along all the communities in the Mackenzie River
7 | in your travels. They've expressed the feeling that
8 | they don't want to see the pipeline development go
9 | ahead before land claims. What I think this has done
10 | to a lot of people is in view of things like the energy
11 | shortage, lack of fuel to start up their cars, to heat
12 | their houses, a lot of people are feeling that the
13 | feelings of the people in communities don't matter in
14 | light of not their houses having houses heated or
15 | having gas to drive their cars.

16 | This is my own personal view,
17 | of course, but I feel it has to come out because as a
18 | chief I am responsible to the lives of my people, 350
19 | or so treaty people in this band, and plus I think
20 | that's the feelings of a lot of people in the Metis
21 | population and non-status Association. I think also
22 | that the feelings of the people say that they don't
23 | want the development of the pipeline to stop; all
24 | they're saying is we want control over the things that
25 | happen there. To this day I don't think that the
26 | decisions being made are really the decisions of the
27 | people that it really concerns, and all we're saying is
28 | that we want a chance to make this choice.

29 | I don't think there will be a
30 | choice if the pipeline development goes ahead before

1 | the settlement of the land claims because that would
2 | say that the Federal Government doesn't realize the
3 | land claims and is going ahead and developing it
4 | without the choice or the control of the people that it
5 | really affects.

6 | I think the whole question is
7 | not whether we should deal with a choice of having to
8 | make this development possible because of the energy
9 | crisis, plus things of that nature; I think the feeling
10 | of the people you've talked to throughout these
11 | communities say that they want some kind of development
12 | but a controlled development, not something that is
13 | imposed on them by somebody else.

14 | I think also that they're
15 | saying that for once, you know, we've got to have a
16 | chance to decide what we want for ourselves, not have
17 | it done by other people for us when they haven't even
18 | consulted us on these problems.

19 | I think the land claims
20 | settlement was first started a couple of years ago,
21 | then all of a sudden we had this pipeline project used
22 | I think as another political tool to further hasten us
23 | into an orderly development of the north; by that I
24 | mean the development of the native people that are up
25 | here. For one time I think in the history of the
26 | Canadian Indian, we have the government by -- at odds
27 | because they're dealing with a majority of Indian
28 | people on a large land mass which they have to develop
29 | tot to their oil reserves, or whatever kind of a
30 | renewable resources they want to extract from this

1 land.

2 But the question is whether
3 all this development is meaningful if you are going to
4 destroy the way of life of all the native people in all
5 the communities along the way? I think progress shows
6 you that a project of this size always brings with it
7 different effects, and I think the effects would be
8 person bad. I think that's the view of the Indian as
9 he sees this development. Thank you.

10 THE COMMISSIONER: Thank you,
11 chief.

12 (WITNESS ASIDE)

13 THE COMMISSIONER: Well, it's
14 11 o'clock. We'll be coming back later in the fall to
15 Fort Smith, so this isn't your last chance, but a
16 gentleman up here, you had your hand up a couple of
17 times and you got overlooked in the rush, so we'll give
18 you the last word here, tonight.

19 STEVE HARRISON resumed:

20 THE WITNESS: I spoke this
21 morning. There's just one thing that has been
22 bothering me and I might as well say it now too, like
23 everyone else is saying, is has there ever been a study
24 made as to how many people really do live off the land?
25 What are they going to lose on this side of it?

26 I've worked for the Government
27 of the Northwest Territories and Federal Government for
28 ten years. I quit two years ago and started my own
29 business, and I've worked right from Fort Smith up to
30 Fort McPherson, right up and down the line, and I think

1 | the figures are being tossed around of such a mass of
2 | people living off the land are false. That's my own
3 | personal opinion. I just wanted to ask this one
4 | question: Has there been a study made as to how many
5 | people are actually and truly and that's sincerely too
6 | also, living off the land?

7 | THE COMMISSIONER: Well,
8 | that's a matter that we've dealt with in many of the
9 | villages we've been to, and we've had a great many
10 | people give evidence on this subject, and the Inquiry
11 | is studying that. The figures that are tossed around
12 | by people who live off the land and by people who live
13 | in highrises -I guess that means in Yellowknife, does
14 | it, is that the only place where they have high-rises?
15 | There's one in Hay River, too -- vary, and we're going
16 | to try to figure out what's just about right. It's
17 | not something you can ever be -- can ever pin down to
18 | the last decimal point, but it's something that we are
19 | looking into because the extent of the impact depends
20 | on what people are doing, and are they out there? So
21 | we've heard a lot of evidence on that in many places.

22 | (WITNESS ASIDE)

23 | THE COMMISSIONER: Well,
24 | ladies and gentlemen -- yes?

25 | MR. JANSEN: I only have a
26 | few words to say, Judge Berger.

27 | THE COMMISSIONER: Well, do
28 | you mind just giving us your name?

29 | JAKE JANSEN unsworn:

30 | THE WITNESS: I wasn't

1 brought up talking into mikes, so I'll stand here. I'm
2 Jake Jansen, and I'm instructing at the school in Fort
3 Smith, and I have just a few examples mainly for
4 thought.

5 I train some students who
6 wanted to be trained, some who didn't. I tried my
7 best. This is one part of the things. Another part is
8 an example that I've gone through was across the water
9 that we trade, we have doctors, we built shelters and
10 when it was already they said there was going to be an
11 air blitz or an attack and people ran and more were
12 killed in the end than through the air attack running
13 into a shelter.

14 I just wonder if we are not
15 over-enquire too much land claim and we shall be
16 constructing before we come to an end and finally we
17 have to train, people to trap more and feed people
18 that come in here called we don't know what. Thank you
19 very much. (WITNESS ASIDE)

20 THE COMMISSIONER: All right.
21 Well, ladies and gentlemen, I'm going to be coming back
22 later in the fall and what we'll do is this. If we can
23 arrange it at a time that is suitable to those who
24 still wish to speak, we'll come on a Friday night and
25 listen to people on Friday night and then we'll stay
26 Saturday and listen to people all day Saturday, and
27 Saturday night as well, and that means that we. can
28 come down some weekend later in the fall and you
29 might just bear that in mind, those who intend to
30 present briefs at the next hearing, and we'll try to

1 | work it out in a way that's satisfactory to all
2 | concerned.

3 | I should say that I found the
4 | contributions you made, the statements you made and the
5 | questions that you've raised today very helpful. You
6 | may think that going around to all of these communities
7 | you would hear the same things again and again.
8 | Sometimes you do, but you find that everybody who comes
9 | to these hearings has something useful to say, and I
10 | find that I can learn from each one of you, so I'm
11 | going to adjourn the hearing until we start up again in
12 | Yellowknife on Tuesday, and we'll be back here in Fort
13 | Smith sometime later in the fall.

14 | I'm not saying it has to be a
15 | Friday and a Saturday, but you might just bear that in
16 | mind; if people in Fort Smith are too busy on the
17 | weekends to come to a hearing, well, maybe we'll have
18 | to make it during a week. But for my sake, would you
19 | just think about trying to do it on a Friday and a
20 | Saturday?

21 | So we'll see you again.

22 | Thank you.

23 | (PROCEEDINGS ADJOURNED TO OCTOBER 15, 1975)

24 |
25 |
26 |
27 |
28 |
29 |
30 |