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)

Yellowknife, N.W.T.
October 15, 1975.

PROCEEDINGS AT COMMUNITY HEARING

Volume 34

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Mr. Reg Gibbs, Q.C. Mr. Ed Mirosh	for Foothills Pipe Line Ltd.

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Yellowknife, N.W.T.
October 15, 1975.

(PROCEEDINGS RESUMED AT 8:25 P.M.)

THE COMMISSIONER: Ladies and gentlemen, I will call our meeting to order this evening. If you feel like taking a seat and just -- well I am Judge Berger, and this is a hearing that we have scheduled in Yellowknife to give the people that live here in Yellowknife an opportunity to discuss the proposed pipeline project.

As you know, there are two companies, Arctic Gas is one, Foothills Pipe Lines is the other, that want to build a pipeline to bring natural gas from the Arctic to southern markets.

The Inquiry has held hearings in many, many of the communities in the Mackenzie Valley, in the Mackenzie Delta, in the North Yukon to find out what the people who live here in the north think about it. At the same time we're holding hearings at the Explorer Hotel to hear the experts, the scientists, the engineers, the biologists, the people have who/made it a business of a lifetime to study the north and northern conditions. There we have lawyers who cross-examine the experts and we have an opportunity of looking in great detail at some of the studies and reports that have been carried out over the years about the northern environment, the northern economy, and about northern peoples. But it's my view that the people who live up here, who made the north their home, it's my view their views are -- their opinions are just

as important as the views of the experts, and that's why we've been holding hearings throughout the north.

Now, we've been told that this pipeline project is the greatest project ever undertaken by private enterprise anywhere in the world in terms of capital expenditure. Mr. Horte, the president of Arctic Gas, has told us that if the pipeline is built, then within five years after it is completed they will begin construction of a second gas pipeline. The same companies, Gulf, Shell and Imperial, that have found gas in the delta, have found oil there too and they have advised the government that they want to build an oil pipeline along the Mackenzie Valley to be completed by 1983. Mr. Blair, the president of Foothills, has told the Inquiry that if a gas pipeline is built, whether it is Arctic Gas' pipeline or Foothills' pipeline, there will be enhanced oil and gas exploration activity throughout the Mackenzie Valley and the Mackenzie Delta.

So the Government of Canada has said that instead of simply getting the National Energy Board to look at this pipeline project, just as if it were any other pipeline project, where you look at the question of how much gas is there in the delta, who needs gas badly in the south, where is it needed, can we export it, what price will we get for it, instead of just looking at those considerations the Government of Canada has said that they want the people of the north to express their views about what the impact is likely to be if this pipeline is built here in the north.

The government has said, if it is built then it is likely that there will be an oil pipeline built too, so they have said, "Let us consider the impact of gas -- a gas pipeline and an oil pipeline. Let us look at what would happen if there were an energy corridor established in this valley."

So that's why I'm here, to listen to what you have to say, and when I've heard all that you have to say and that all of the experts who are giving evidence at the Explorer Hotel each day have to say, I will make my report and recommendations to the government. The National Energy Board, which begins its hearings later this month, will in due course make its report to the government, and then the government with both reports before it, will decide whether they want to se pipeline built, and if they want to see one built then they will have to decide who is going to build it.

I have invited representatives of Arctic Gas and Foothills to come here tonight to listen to what you have to say and to answer any questions that you may have, and later on if you wish, I'll ask representatives of both companies to tell you briefly something about the pipeline projects that they want to establish here.

Now, you all know that the Government of Canada is busy in Ottawa running the country. They can't all of them come here and listen to what you have to say, so they have sent me to listen to what you have to say, to listen to what the experts

have to say, and to report to them. That's my function. It is up to the government, the people elected to govern the country, to make the hard decisions. It will be up to them to decide whether a pipeline should be built.

So I think that we might begin by hearing any of you who have something to say now, and in a while I'll ask the representatives of the pipeline companies to tell you something about the projects that they wish to establish here.

Yes, Mr. Mayor?

MAYOR FINDLAY: If I may, Mr. Berger --

THE COMMISSIONER: I think we'll just swear you in, Mr. Mayor, just as a formality.

I don't know whether they do this at the City Council, but --

MAYOR FINDLAY: If you like.

THE COMMISSIONER: It won't be necessary tomorrow night, so --

MAYOR FINDLAY: Evidence tomorrow night welcome tonight, if I may.

MAYOR ROBERT FINDLAY sworn:

THE WITNESS: I would like to simply welcome -- offer my welcome to you, Mr. Justice Berger on the advent of 'the Mackenzie Valley Pipeline Inquiry's City of Yellowknife informal community hearings. I thank you on behalf of our community for the opportunity you are offering us. I feel this is an

important event, and with your permission, I would like to paraphrase some of your remarks, some of your words to our community on this occasion.

May I have that permission, sir?

THE COMMISSIONER: Certainly.

THE WITNESS: Justice Berger is here so that you can tell him what you think, and so that you can say what you want to say. He wants you, the people who live here, Who make the north their home, to tell him what you would like to say to the Government of Canada if you could tell them what was on your minds. He wants to hear from anyone who wishes to speak, because you have the right to speak, to tell him what this pipeline and all of its ramifications may mean to you and your family and to your life. He is here to listen to you.

I urge you, the residents of Yellowknife, to come forward and express your thoughts on these matters. We often ask to be heard, and now we have the chance to be heard. I would like at this time to ask that I be heard tomorrow evening and leave this evening to other citizens.

Thank you again, sir, for your courtesy in hearing us during your pipeline Inquiry, and in allowing three evenings for us, including next Wednesday, in the Community Centre on Latham Island, and yet another evening in Detah. It's very important to me as the Mayor of this city that the people who live here express their views to the judge.

As I say, I intend to myself

tomorrow night. Tonight I would prefer to listen; but rather than submitting evidence tonight, sir, I would merely like to take this opportunity to ask all the residents, all those who have been heard, all those who haven't been heard, those who have spoken to me in the last six months, to come forward during these next -- tonight, tomorrow night, and again a week tonight down in the Community Centre on Latham Island, to let Mr. Berger hear what our thoughts are.

He's here to transmit them to our government. Please present them to him. Thank you, sir.

THE COMMISSIONER: Thank you, Mayor Findlay.

(WITNESS ASIDE)

THE COMMISSIONER: It may be that it would be the right thing to do now to ask the representatives of the pipeline companies briefly to tell you something about their projects. I think we might do that now. Mr. Mirosh and Mr. Workman, if you wouldn't mind? Why don't you come up to this table here and each sit at one end of it, and then just each in turn tell these people something about the project? You might turn sideways so you can face the people here. I must confess I've heard both of you before.

Well, Mr. Workman, Arctic Gas started this thing off, so maybe you could go first tonight. You might just tell the people your position j, with the company and so forth.

MR. WORKMAN: I'm the manager of Northern Affairs for Canadian Arctic Gas. We have our office located in the Bellanca Building here in Yellowknife. I think I could make a quick resume of what our project is by having you refer to the map on the wall at the front. You notice there on the map there are two areas that covers a little bit of Alaska and the delta area of the Mackenzie River. Now there has been gas discovered in Prudhoe Bay in Alaska, vast quantities of gas have been discovered there. There has been gas discovered in the delta area of the Mackenzie. Unfortunately, the gas in the delta area is not as large a reservoir as that in Prudhoe Bay.

The Americans would like to get their gas from Prudhoe Bay down to the States and we in Canada feel we should market our gas in Southern Canada. We feel the logical way to do this is to combine the pipeline that will carry both the Alaskan American gas down to the States and the Canadian gas from the delta down to Southern Canada.

We are proposing to build a 48-inch diameter gas pipeline from the delta to the central part of Alberta, where it will split into two areas, one leading to the south-west and one to the south-east. Tied in with this will be a branch line -- a 48-inch line -- from Alaska leading over to the delta to join this line. Now, the pipeline goes through critical environmental areas, it goes through permafrost, and this requires special care in building and operating a pipeline. Because it's going through

areas that are permanently below the freezing point, the gas must be kept cool so that wherever there is moisture in that ground, the moisture will remain as ice and not melt.

We do this by -- or we propose to do that by building refrigerating units after every compressor station. These compressor stations will be spaced about every 50 miles. The gas will be moved down this pipeline as a gas, not as a liquid, as a gas, under quite high pressure, 1680 pounds, and will be refrigerated until somewhere in the Fort Simpson area where the end of the permafrost zone is. It will then be allowed to rise in temperature where it will not be doing any damage to the permafrost.

The pipeline from Alaska I mentioned is 48 inches, and you may wonder why we have such a large diameter pipeline from Alaska. Well, the possibility is that there could be more gas required in the future, and rather than looping that section of the line or building another line from At, even though we don't need a 48-inch diameter now, we might need something more in the future so one: way of doing that would be to put in, say, a 36 inch line and later on put another 36-inch line in there; but that would mean two construction periods through a critical environmental area, and we are proposing to build one 48 inch line at this time o that the damage to the environment will be minimal. We will just do one construction job through that critical area.

Now, during the construction

of the pipeline, we propose to use as many northerners on the job as we can, in fact there will be more jobs than there are northerners. There just won't be enough northerners really, so we will probably be bringing in labor from the south. This means quite an influx of construction people during the construction period. We are aware that this could cause problems in communities in the north. To minimize that, we propose to hire most of these southerners from some location such as Edmonton, fly them directly into the camps or the construction locations, and have them work in this area for whatever it is, two weeks, three weeks, and then for their rest and relaxation period, which may be a week, we would fly them back out to Edmonton and avoid as much as possible the problems that we see being encountered in Alaska.

Now this is our target. We know that e will have problems. There is no point in denying it, there will be problems with an influx of people into the north. But we propose to minimize this as much as we can by controlling it in this way.

After the line is constructed and in operating -- in the operating phase, we propose to staff the compressor stations and maintenance sections of the line completely by northerners. Now, this is not possible today because there are not northerners trained to do these jobs, and it takes a long time to train them. So the industry -- and this includes Foothills -- all the oil companies operating in the north have developed what we call our Nortran Training

program to train northerners in the petroleum industry, and that's all phases of the petroleum industry -- the production phase, refining, gas plant operation, pipeline operation, maintenance work of all types, radio communications, office work, right up to office management jobs, in fact we'll train people just as far as they are capable of going. The training is an on-the-job training in which the people, the trainees are hired into a job, they're trained on the job, they will be trained as far as they are able to go and then when we find, say, that they require certain academic skills such as mathematics or science or whatever, they will then be given that academic training by either training in their location where they are by bringing in a teacher and tutoring, or some way, or if necessary taking them out to an educational institution such as S.A.I.T -- or N.A.I.T.

Now, to date we have something less than 100 trainees on the program, but we are limited at this point to this number because all the companies that are co-operating in the program have guaranteed the trainees permanent jobs when their training is finished. If the pipeline does not go, that makes it pretty tough to find jobs for all the trainees, so we have to limit it to some figure in that area to ensure that these people will have jobs, even though it means having to move south to fill them.

Once we get a permit to build a pipeline, then our training program will expand rapidly because at that point we'll know that there will

be jobs for all the northerners, and they will then fill up the program to an indefinite number.

Now our operating facilities will use about oh, a couple of hundred, I guess, employees, which is a rather small number. However, the petroleum industry itself will use a much larger number than that. There will, once the pipeline gets a permit to go ahead and build, then there will be a terrific amount of exploration, development work in the delta and there will be many jobs for northerners in the petroleum industry, and although the pipeline itself will not employ directly a vast number of people, the petroleum industry will create quite a number of jobs.

I can't think of anything else regarding our pipeline at this moment, Maybe Mr. Mirosh can carry on now with Foothills proposal.

THE COMMISSIONER: You're entitled to equal time on behalf of Foothills, Mr. Mirosh.

MR. MIROSH: Foothills Pipe Lines is a company which is sponsored by two major Canadian gas transmission companies who are currently in the business of transporting natural gas in Southern Canada. The two companies are Alberta Gas Trunk Line in Alberta, and Westcoast Transmission in British Columbia.

Now a little bit of history may be in order. Back in 1969 or 1970 there were two pipeline groups or groups of companies who were studying how to bring gas out of the Arctic of both Alaska and

Canada. One of these groups was sponsored and led by Alberta Gas Trunk Line, in a company called Gas Arctic Systems; and the other group was composed of many other U.S. and Canadian companies, which was called Northwest Project Study Group.

After several years of activity in research, each company going their own way, the two groups were merged into Canadian Arctic Gas Study Group Limited. Subsequently, approximately one year ago, Alberta Gas Trunk Line withdrew from Canadian Arctic Gas Study Group, due to several differences in policy and direction which the Canadian Arctic Gas project was taking, and upon withdrawing, found a partner in Westcoast Transmission Company and set up Foothills. So at that point Foothills, having been a member of the Gas Arctic Study Group, was able to use the material and research accumulated until about one year ago, and then established a staff in Calgary which now numbers some 60 people, and has been actively over the last year pursuing quite independently a natural gas pipeline project.

Now the Foothills project differs from Arctic Gas in a number of ways. The first one is that we propose to bring only Canadian gas from the Mackenzie Delta to Canadian markets. We're not anticipating at this time transporting any U.S. gas across Canada. We're also, in setting up Foothills, looking at accompany which has a maximum Canadian content in it in terms of materials, goods and services that go into it -- engineering, operations and maintenance

and as well, Canadian control, since two Canadian companies are involved we feel that Canadian control will be an integral part of the project.

Our pipeline project is smaller, since we're looking at smaller reserves from the Mackenzie Delta; but we do feel that we can economically justify a pipeline to carry Canadian gas to Canadian markets. The pipeline we're proposing is 42 inches in diameter, which is a size, incidentally, which has been constructed in Southern Canada before and which can be fabricated in Canada by Canadian pipe mills. The size which Arctic Gas proposes, 48 inch, has not been constructed before, and can be considered a state of the art pipeline and one for which Canadian Arctic Gas cannot obtain all of the pipe and all of the goods and services that they would like to obtain in Canada. We feel our Canadian content is very high. We have stated that we can obtain 87% of the goods and services to build the pipeline in Canada. Virtually all of the pipe for the project can be built by Canadian pipe mills, and we have examined very carefully the scheduling of this and feel quite comfortable that this can be done without jeopardizing other users of steel in Canada.

Now the pipeline which Foothills proposes would be 817 miles from the Mackenzie-Beaufort to just north of the 60th Parallel, and Foothills would be a company which operates only in the Northwest Territories. Its operations head office would be here in Yellowknife, and our studies show

that we would have a staff of 55-56 people in Yellowknife in an operation centre which would control the pipeline operations in the Northwest Territories.

We would require in Yellowknife a building which would house the gas control centre, which would be operated by computer but we would need -- in the 56 people we would have many technicians and other skilled people who we feel we can obtain from the north through proper training programs. As well as Yellowknife, we will have personnel situated in the other large communities north of the 60th Parallel -- Inuvik, Norman Wells, and Fort Simpson; and at Fort Simpson we will also have a maintenance depot where we will overhaul equipment that can be overhauled without shipping to the manufacturer, and well also have our warehousing facilities there.

Now an integral part of the Foothills project is to bring gas to communities along the Mackenzie Valley and around Slave Lake, and we propose as part of our project to construct a pipeline lateral from the main line as far east as Yellowknife on the north side of the lake, and as far east as Pine Point on the south side. Our calculations show that in 1985 comparing what the average household would require to pay for fuel oil in Yellowknife, against what one would have to pay for natural gas, should a pipeline be built, that the average household could save about $1,000 a year, by consuming natural gas should a pipeline be built into Yellowknife.

One additional point I might

add, and another reason for Foothills departing from Canadian Arctic Gas, is that south of the 60th Parallel in Southern Canada, Foothills -- the Foothills Pipe Line would connect to existing pipeline facilities that in both the case of Alberta Gas Trunk Line and Westcoast Transmission, are constructed to very near to the 60th Parallel so we do not anticipate building new pipelines south of the 60th Parallel, but would instead build short jumper pipelines 80 miles from the 60th Parallel to the Alberta Gas Trunk Line system and about 140 miles from the 60th Parallel to the Westcoast system, and then we would add pipe sections to the existing pipelines in those two provinces, and incidentally across Canada all the way to Quebec City where the TransCanada Pipe Line system would be expanded.

This way we feel that our project can show economies by using spare capacity which currently exists, and which will continue to increase in southern pipeline systems, and in this way we feel that we can further justify lower cost of gas to Eastern Canadian consumers in Southern Canada.

Have I used the right amount of time?

THE COMMISSIONER: I think so.

Well, ladies and gentlemen, maybe it would be helpful to you if I just mentioned some of the vital things about each project. I've listened to these gentlemen more times than I care to remember now, and I think that I should say that each project would entail a program of construction and the

actual laying of the pipe would, in the case of Arctic Gas, take three years, take three winters. During the peak period there would be 6,000 men employee north of the 60th Parallel on the Arctic Gas project.

The Foothills pipeline, as I understand it, involves only two years of pipelining north of 60, but for all intents and purposes it is a 3-year project and they would during the peak period employ 5,600 men north of 60.

When the construction of the pipeline is over, and the pipeline is there, buried in the ground carrying gas to the south, the number of people employed operating the pipeline, running the pipeline, maintaining the pipeline, would be about 200 to 250, whichever one is built, whether it's Arctic Gas or Foothills. The total cost of building the Arctic Gas Pipeline system in Canada would be $7 billion plus, and the total cost of building the Foothills system in Canada would be $4.6 billion.

I think that there are two features about the Foothills proposal that should concern you people who live here in Yellowknife. Foothills says that if they get the go-ahead to build this, they will establish their headquarters here in Yellowknife and will employ something like 50-55 people here in Yellowknife at their headquarters. Foothills also says that if they get the go-ahead they will supply gas at rates, that will be subsidized by southern consumers of Canada that will result in a saving for purposes of home heating of $1,000 a year by 1985 for

each householder in Yellowknife.

Now those appear to be the main features of the two proposals. If you want to ask these gentlemen any questions, feel free to do so now. If you want to say something about the project, feel free to do so, and don't think that you have to confine yourself to the nuts and bolts of the actual pipeline systems. You can discuss any aspect of the proposal and its consequences to the north. So yes sir?

MR. DUESTERHUS: Would it be possible to sit down?

THE COMMISSIONER: Yes, please sit down.

MR. DUESTERHUS: I have some thoughts written down.

THE COMMISSIONER: Yes, certainly.

MR. DUESTERHUS: Not on the Bible, otherwise I swear to tell the truth.

ADOLF DUESTERHUS affirmed:

THE WITNESS: My name is Adolf Duesterhus. I have written some thoughts down, it may take a little while but I suppose --

THE COMMISSIONER: We've got lots of time.

THE WITNESS: Mr. Commissioner, you have heard many arguments in the months that have gone by, reasonable arguments, emotional arguments, well-organized

arguments; there are probably just as many arguments which you have not heard. You've heard arguments for the pipeline and you have heard arguments against the pipeline, for ongoing developments or for no development until the land claims are settled, and for no development. You have heard of the poor and the rich, of bad governments and oil companies and of good people. You've heard of the industrial and relating exploitation and unitarian ambitions. You have heard from the ends of the earth what the government might bring, and you have heard about the good old life. We all talk about the good old life because there never seems to be anything good about the present. Sir, you are in the unenviable position of having top arrive at recommendations that do justice to the situation.

You cannot afford to make recommendations that only consider the Territories in isolation because our well-being here is intimately connected to the wellbeing of the rest of this continent, the rest of this country, even this continent, and the availability of gas and possibly oil, or the nonavailability. might just be the deciding factor over our well-being and relative prosperity. You're expected to do justice to all the opinions you have heard; not only that, you are also expected to make your recommendations in favor of every argument you have heard because we all are likely to be of the opinion that only our thoughts on the matter are right and just. Whatever your recommendations to the Government of Canada will be, you are bound to fail with respect to all the

expectations that are. We all think that we have the answers, that we are right, that only our thoughts or aspirations are just. Quite likely we are all wrong to a greater or lesser degree, It seems to me that all the various arguments you have heard can be held through a general desire to participate in what is usually called the good life. Naturally enough, we differ in our opinions of this good life. But most of us seem to be in agreement that we have a right to the good life often regardless of whether we contribute to it or not.

Most of us seem to prefer it very much when we can have this good life for the least effort on our part, and if possible, for no effort at all. We all know what the good life is about, and if we do not know, some will tell us and we follow them. We are all experts on all kinds of things, although not really, but we like to be heard. We really are a mess. We seem to thrive on conflict. If it should happen that we live a peaceful life that suits us, there always are some who will disturb our peace and tell us that we are wrong and that we deserve more, that we; are treated badly, that discrimination is on the loose, that we are exploited, that we must assert our rights, that we must be militant, that only confrontation leads to what we rightly deserve.

I wonder why we always follow these people-who offer themselves as our leaders? These people who appear to have all the answers to our problems, even if we don't have any problems, and

who never seem to be there any more when things go wrong. It seems to me that many of us miss the point of the situation in this regions It is the participation in the good life that we actually long for. The essential parts of the good life are food, clothing and shelter to which the individual preferences and fancies are added.

To participate means to me that we must have something to exchange for that which we regard as necessary for the good life such as money; but to have this exchange value requires effort here as well as anywhere else. It requires the trapper to go into the hush to get his fur and to sell it, so that he may acquire what he thinks necessary for his good life. It requires employment opportunities to get the exchange as wages so that we may acquire what we deem necessary, and not the least that we take employment when it is available. It requires the ones with initiative, ability and courage to provide us with opportunities for employment.

What we lack in the Territories are a means for exchange to live the good life we think we have a right to.; they are the employment opportunities and often the willingness to take employment. This Territory is a region where not every kind of employment is possible. The remoteness and severity of climate seem to allow only certain kind of development and employment. It seems unwise to me to propose possible development on principle or for political reasons, as it may just lead to a continuation of the situation as it is now.

The situation may even become less favorable with the increase of the population that is certain. The native organizations appear to oppose development unless it is on their conditions of a land claim settlement. This might just mean less development than could be. I often wonder whether future generations will be thankful for the rigid stands that are taken today.

Let us take the proposed pipeline from Prudhoe Bay via North Slope and the Mackenzie Valley. It definitely offers employment opportunities of perhaps ten years with looping, or even longer, if oil pipelines are considered from the delta region. (I may be wrong with these years, as you set forth)

It offers the opportunity to get exchange to participate in the so-called good life. On-going exploration for gas and oil, as well as other kinds of exploration and development, might offer this opportunity. Of course, does it require that we seek the skills necessary and that we participate? No matter, our land claims will be settled. The future will prove that we have to participate in the efforts that make 'a good life possible. Even all the individual lives we lead today do require more or less exchange to be possible. It is by no means certain that a pipeline will be built through the Mackenzie region. The Americans right well decide that we are too risky a people to be depended upon for a safe passage of gas to where they will need it and build their pipeline through Alaska. It is just as possible

then that a pipeline from the Arctic Islands may become a priority project because of the greater reserves that have been discovered there. It also might then well be that the delta gas is somehow fed into this pipeline. Some may say that this is fine, let it happen that way; but what about the Mackenzie region? There would be no employment opportunities to get the exchange for the good life, and the population would keep increasing. We would be a worse situation than we are now. Many would have to resort to the land again, which probably cannot support the increased population. The wildlife would deplete more rapidly and the misery could become greater than ever.

Many might also have to leave the north and seek to maintain their lives elsewhere. The future may not bring this for the north, but it certainly is a possibility. What also would the ones have to say who have objections to the pipeline on environmental grounds, if such a situation were to occur? They, after all, would have successfully helped block the construction of a pipeline through the Mackenzie region.

I suppose they would just fade away. It disappoints me that the human beings rarely consider all the possibilities that are connected with the situation. We always seem to take a narrow rigid stand, come hell or high water, and it is hell or high water that most often does come; and of course do we then usually blame others for our predicaments?

It disappoints me that we rarely

1 learn that co-operation and participation and a bit of
2 understanding by all concerned would lead to improvements
3 rather than confrontation. For myself, I am also
4 disappointed with the ones who expressed their concerns
5 about the environment. I have no quarrel that they do
6 express their concerns, as it is highly desirable that
7 human beings do learn that they should not wantonly or
8 carelessly destroy that on which our existence might
9 depend. It is their lack of clearness that disappoints
10 me. We have often heard the expression,
11 "We are, " or "I am concerned about the environ-
12 ment or the ecology,"
13 or some particular matter. Some merely express a concern
14 without being specific, or ask the question: "What will
15 it do?" too. Others go as far as speaking of an
16 acceptable alteration of the environment, or express that
17 the applicants should be required to prove that the
18 environment is protected.
19 It is all very well to
20 express concern, but it seems to me to be impossible to
21 satisfy anyone who expresses concern if he is unable or
22 unwilling to provide a working definition of what he
23 means by "destruction of the environment," or what
24 "acceptable alteration of the environment" means.
25 I suggest that it is impossible
26 to provide assurance that one can perform a task well if
27 the opposition does not provide a meaning of what they
28 regard as "well". The closest definition which the
29 Inquiry has seen came from Mr. Templeton on June 3rd,
30 and it is in the transcript, Volume 47, page 6232,

where he said:

> "In our case we are defining 'impact' as any action connected with the pipeline project that will permanently eliminate some form of existing or potential land use activity. Our main concern is to keep open as many options as possible for future generations."

This is to me more like a statement which asks for more answers to clarify what it does say. It sounds important, but it is not very helpful.

I should like to submit to you a definition about the environment with the above alteration and destruction in mind. The working definition must include human beings for the simple reason that we are a part of the environment; also because any concerns about the environment must ultimately be related to the existence and well-being of human beings. Without human beings there is no meaning to the terms "environment" and "ecology". With this in mind, would destruction of the environment any actions of human beings which would threaten our existence and well-being, it would also be any lack of actions by which our existence and well-being would be threatened. The necessities for our existence would thus determine the meaning of "destruction". It follows that any environmental considerations must be primarily concerned with human existence. It also follows that undue interference with the ecosystem prohibits itself, but that necessary interference cannot be regarded as undue alteration or destruction if its purpose is

to assure the existence and well-being of human beings.

The well-being in this definition is to relate to the necessities for existence such as food, clothing, shelter, warmth of shelter, a place of employment, or appropriate means in times of need to ensure access to the needs of life, where disruption of the availability of such necessities would lead to consequences that might easily draw off any damage that would be done to the environment by, for instance, the construction of a pipeline. If this definition seems unacceptable, I suggest that the parties who expressed their concerns submit their own definition.

Sir, the Library and Resources Building is an excellent place to gain some insight and understanding about the Mackenzie Valley and the North Slope. I have spent some time in this Library, which is open to anyone who seeks information and cares to go there. While I was there, it seemed to me that nobody cares, and yet there are so many expert opinions. After I spent some time in this Library, I could not help but conclude that the Mackenzie Valley and the North Slope are regions of considerable active erosion. The reports provided by the Department of the Environment are very enlightening.

Report 74-29 speaks of cliffs of sediments from gravel to icy clay on the Yukon-Beaufort Sea coast which have retreated up to 90 meters in 16 to 18 years. The major erosion factors are said

to be storms and wave activity. If for the sake of the argument, one were to take this erosion to be persistent on that scale along the coast-line, which it probably is not, one could arrive at a number of years in which the coast line would be eroded away. A meter, being 3.281 feet, makes 90 meters 295.29 feet, which would be the erosion in 17 years. This makes for an erosion of 1,737 feet in 100 years, and a 10-mile coastal plain would erode in about 3,000 years. Of course, that is hypothetical; but on a geological scale it would appear that the coastline will either disappear or be greatly altered in a relatively short period of time.

This is not the only factor for erosion and deterioration of the coastal plain. Volume 17 of the Biological Report series speaks of braided streams and the tundra, which one can picture as little lakes or ponds connected by a stream like beads on a string. In Happy Valley Creek, which is one of these streams, the temperature of 20 degrees Celsius was recorded for July 9, 1971. More than 15.6 degrees Celsius was found in several other such streams It is said that the general water temperature of this type of creek exceeds 10 degrees Celsius in the summer. Considering the little lakes and ponds and the water temperatures, can one not help but conclude that permafrost is retreating and that the coastal plain is eroding? Volume 3 of the Biological Report series is on the vegetation of the Mackenzie Valley. Here also can one not help but conclude that the degradation

of permafrost is an on-going process of which numerous land slides, rivers, creeks, ponds, and other phenomena can be regarded as evidence.

As causes for the erosion are mentioned the breaking of the vegetation cover, wind flow, fire, tracking of frost hummocks, animal trails and wind and ice action on existing water bodies. The report's main study on land slides lists 67 slides along the Mackenzie River from Mile 205 to Mile 660, which amounts to one landslide for every 6.8 miles along this portion of the river, as an average.

A report called: "Hydrologic. Aspects of Northern Pipeline Development, 1973," deals in part with a storey that occurred over the eastern slope of the Mackenzie Mountains, the headwaters of the Arctic Red River and to a lesser extent over the headwaters of the Mountain River, The Peel River was also affected on account of some tributaries in the storm area.

The damage to the flat plains is called significant, which a number of flood graphs show quite clearly numerous trees in excess of 30 feet high were flattened by the flood, and many landslides occurred. Some date in the report called:

> "Hydrometric Data Collection in the Mackenzie River Basin,"

is very enlightening on the magnitude of the erosion that ends up in the Mackenzie River. The farthest down-stream point from which flow data seems available is Norman Wells. The flow past this station for 1973

is from a low of 121,000 cubic foot per second in February to a high of 711,000 cubic foot per second in June. The suspended load of the river for. 1973 above Arctic Red, which would be about the total load of the river, is for the month of June 9th to 30th from a low of 625,000 tons per day to 2,099,817 tons per day. This is from a low of about 7 tons per second to a high of 24 tons per second. The 4-months period recorded for this station amounts to about 57 million tons of suspended load transported by a river, and the remaining B months in the year could probably make for a total load of the river that is about 100 million tons, which would include a backload of 10 to 20,000 tons a day, actually cubic yards, reported by Dr. Kuiper, This quantity would then represent the erosion in the Mackenzie Valley and the tributary system, which ends up in the river in a one-year period. This yearly quantity also means that about 1 cubic kilometer of the region erodes every 10 years, and that is a considerable quantity.

The erosion figure of 100 million tons lends itself very well for demonstration to bring some reason into the on-going argument 100 million tons is equivalent to 1/10th of a cubic kilometer of solids, and this is equal to a thickness of material of one meter over a square area of 100 square say kilometers, or to say differently an area of 10 kilometers by 10 kilometers.

If one takes the pipeline right-of-way of 120 feet, which is 36.6 meters, the 100

square kilometer area can be divided into 273.224 strips of 10 kilometer lengths each, and 36.6 meter width. This makes for a total length of 2,732.24 kilometer with a width of 36.6 meter. A measurement on the map tells me that the length of the pipeline right-of-way in the Yukon and the Territories as proposed is about 1,350 kilometers, which is about one-half of the 2,732 kilometers arrived at. This means that the erosion in the Mackenzie Valley and the tributary system is equivalent to an erosion of the pipeline right-of-way in the Yukon and the Territories to a depth of 2 meters of solids. Considering the ice content of the soil, could one say that the total erosion maps would rather be 3 meters or more.

So even if the proposed pipeline would be a total disaster, the erosion that could be due to that could not nearly match the erosion that takes place yearly in the Mackenzie Valley region. It should also be noted that the figure of 100 million tons represents the erosion material that reaches the Mackenzie River only, and it does not include any of the erosion resulting in to land fills, inland slums or whatever they may be. How many ton per year this would come to is anyone's guess.

I have only surveyed a portion of the Commission's Library, and I am certain that more examples of this kind can be found.

The construction of a pipeline, if it should come about, can hardly be called a destruction of the country, especially with the

regulations on guidelines that will be facing the successful applicant. The alterations that would result from such construction would be minimal in comparison to the alteration that takes place yearly, and which we call "natural processes." To call the manmade alterations "destruction" in 'comparison to the natural processes, is too simplistic.

It also neglects to acknowledge that we human beings are a part of nature.

It may well be that many things are done by human beings that are not necessary for our existence, and some that even threaten our existence. Nevertheless, there's much done in order to maintain our existence. As far as northern gas and oil is concerned, may it well turn out to be a threat to our existence if it is not extracted from the ground and transported to where it is needed, when it is needed.

Many concerns and objections have been raised during these hearings to:

"No pipeline until land claims are settled," and

"No pipeline at all."

I keep wondering what would happen if the applicants were to withdraw their applications because of ever-increasing obstacles, or if the pipeline were eventually built via another route. Surely it must be realized that the population of the region is now larger than during the living-off-the-land period and that the population is bound to increase with time. As well are people now concentrated in settlements with a way of life

that is not any more traditional. Given these factors alone, is it not too far-fetched to say that a return to the land or to the traditional ways is not possible any more for all, and quite likely not even wanted by many. The north cannot support a large population without the assistance of the south, and without industries that are possible here, such as mining, gas and oil, and whatever may come by the initiative of individual people.

It surely cannot be desirable to be dependent on the generosity of governments, but the only alternative is to have industries that are possible here, the conscientious participation in what is possible here, and the initiative of some who dare to explore and develop new ways of employment that are suitable for the north. This northern country contains sufficient quantities of commercial timber for utilization in the north, but it takes initiative, conscientious effort and assurance of supply to make such ventures workable.

There is land suitable for agriculture, but it takes initiative and persistent effort to make such ventures workable. I know of one tree and two kinds of plants that grow a cotton-like growth which it might be worthwhile to investigate for cross-breeding, and possible production of a northern cotton -- a possibility.

The north has large quantities of clay and possibly several types of clay, which some might exploit for northern use, or even sale in the

south as finished products and northern specialties. The seed pods of the wild rose, rosa acicularis, is said to be one of the best wild sources of lichen we'd see, and they are to be abundant in the Yellowknife region, and probably in others. It may be possible that an enterprising person would grow these roses in concentrated areas for commercial use. Gem has been made successfully.

There are several kinds of berries that could be grown in concentrated areas in soils that are not suitable for anything else. Other ventures may be possible. But they are possible only with initiative and persistent effort.

The increase in population of the north practically demands that employment becomes available to support the standard of life which many will and already do regard as a right. Any standard of life thought requires participation in the efforts that make a standard possible. The food we eat must be produced. The production of food requires machinery, energy, and effort of human beings. The machinery requires raw material and energy to be built. The raw material must be found and extracted from the ground, and as well, some of the energy such as gas and oil which also requires machinery, energy and effort of human beings.

The same is valid for the clothe we wear, the houses we live in, the gadgets we use daily to make our 1ife easier and more. All these thing combined make for a standard of life which is really based on the effort of human beings and participation in

this effort, and the exchange of what we are able to produce. If we do not participate in the efforts, we have nothing to exchange, and hence a lower standard of life. To refuse participation is foolish, as it can only lead to decline.

The traditional way of the native people as I understand it, is a memory for many, and it will become a memory even more with an increase in population. It is highly doubtful that the land can support all, and to realize this would be more beneficial than to remain with a dream of the past. Life is changed. It is not stand-still. No people in the past have survived as strong and prosperous who have refused to accept the changes that are a part of life.

Of course, it is highly undesirable that the construction of a pipeline may turn into a social disaster for the north. This, though, should not be too difficult to prevent. It could be made a condition that northerners only are hired in the north, where at least a one-year residency would be required to qualify. All hiring of workers from the south would have to take place in the south, and undesirable influx to the north of people to the north could be prevented if northerners were to agree on a measure to prevent that. The workers that are hired for the construction of the pipeline could be made quite aware of their part of the contract and if they were to choose to act contrary to their contract, should be subject to instant dismissal. Unjustifiable union action should

they be a part of the construction, should for once be required to be justified with more than assertions that what they say is just. The view of justice of some labor unions we have seen lately is rather painful to many citizens of this country. It leaves them right open to accusations of being power-hungry or even of destroying this country rather than improving conditions.

So I choose to support the construction of a pipeline along the North Slope and the Mackenzie Valley. A social disaster is not a necessary outcome of construction of pipeline. Strict no-nonsense rules can be formulated and enforced if necessary. Matters of conflict could be brought before an Independent Board of qualified people that could be convened when necessary. No member of such a Board should belong to an interested party in a dispute. It should be a prerequisite that Board members are to be able to judge impartially and fairly.

The gas and oil of the north may well become a matter of necessity to the rest of this continent. If it. were not to reach the places where it is needed, when it is needed, the ensuing results may prove more disruptive to the north, and more disastrous than the building of a pipeline could possibly be.

I accept the words of the applicants that the Mackenzie route is the easiest and most economic. It is hardly likely that the successful applicant will construct a pipeline that will strain his resources in future years to keep the pipeline and

the right-of-way in good condition and operative. It would follow from this that construction would be such that a possible minimum of disruption of the environment would be associated with the construction operation and maintenance.

A little bit of study of the research literature on the Mackenzie Valley and the North Slope should reveal to anyone that many of the fears expressed before this Commission are unfounded. Even the most careless mode of construction, which would ruin the reputation of anyone connected with the pipeline construction, could not bring about a deterioration of the region on a scale that remotely matches the deterioration that takes place yearly in the region. Since no one connected with the pipeline would be out to destroy his reputation and future could say that any changes of the environment will be in acceptable limits; as well it is inconceivable that the applicants are out to interfere with wildlife unnecessarily.

The major construction is to take place in winter. Interference with wildlife would be at a minimum; as well, whatever interference would take place would be in the confined regions of the right-of-way and the support areas. No interference at all is an impossibility. Any possible disruptive conduct of the work force can be made subject to rules, and if necessary, subject to the judgment of the Independent Board. The successful applicant should also be subject to the judgment of the Independent Board if situations would arise that would require the

judgment of the Board.

The construction of a pipeline would bring much-needed employment opportunities in the north. With a possible 10 years or more of construction, should there be ample opportunities and time for northerners to acquire the skills necessary on such a project, and this could mean that for the greater part of construction, the work force could be majorly northerners, if we desire to participate.

The period of construction could well be used by some with initiative to create new employment opportunities that could sustain many northerners after the construction has ceased Others could find employment in on-going exploration and associated fields still. It all depends on our willingness to participate.

The wage structure of the pipeline construction should be separated from any wage structure in other employments in the north by law. It should not be allowed that settlements, municipalities, businesses and other places of employment be ruined by excessive wage demands that are patterned after wages that prevail in the pipeline construction. The same should be valid for businesses as far as prices are concerned, or wherever else it may be valid. It is as good as certain that the successful applicant will be subject to rules and regulations that allow little, if any, unnecessary interference with the environment. Rules and regulations that seek to prevent a social disaster as

much as this is possible, rules and regulations that will guard the economic situation as much as this is possible; besides this it would very much depend on ourselves whether a pipeline construction will eventually be termed beneficial or not.

I also should like to state my preference for one of the applicants, namely, Canadian Arctic Gas. I prefer this applicant because he proposes to construct a pipeline to carry American gas as well as Canadian gas. It seems to me that our well-being on this continent is inter-connected, and it would be rather unwise to say that we will carry our own gas, but rot the American. But then Foothills has stated that it would seek to construct a pipeline to Prudhoe Bay for transport of gas to the U.S. if it is asked to do so by an interested party.

I also do not favor the proposal of trunk lines to individual settlements and municipalities very much. It would be an unnecessary expenditure of money and material to do so. It would also require that the prospective users of natural gas would have to convert from oil to gas at an additional cost. It would seem to me to be more beneficial if a signed and sealed contract were arrived at with an appropriate authority, say the Federal Government, to have fuel or gas, as used by some, electricity and transportation costs reduced to the consumers by an appropriate amount. This would be a better compensation in part for the resource extracted from the north, and also a benefit that would be obvious.

To conclude, what I'd like to say again is that it would be more beneficial for us in the north if we were to exercise a little more reason and a little less emotional and political enthusiasm, Thank you.

Maybe I can add something else.

Q Yes, certainly

A Mr. Mirosh said before that Foothills proposes to carry Canadian gas to Canadian markets. I suppose that's what he means. I have an article -- well, part of the "Globe and Mail" at home which I picked up about two weeks ago, where it is stated or asserted, whichever it is, that -- what's the B.C. company's name again?

Q Westcoast.

A Yes, Westcoast Transmission proposes to sell 500 million cubic feet a day to the U.S. of northern gas. If you wish to have that article --

Q As a matter of fact, I saw it, and I thought it would be a matter that might come up.

A There's another item -- I am curious to know, maybe Mr. Mirosh can give me an answer -- he says that northern households would save $1,000 a year if they convert to gas, at least that's the way I understand it. In my case, for instance, would that mean that Foothills would have to pay me $550 a year to convert to gas, because my bill is only $460. If I save $1,000 they would have to pay me $550? I wonder if I understand this correctly.

THE COMMISSIONER: Well --

A I don't think Mr. Mirosh would have an answer for that.

THE COMMISSIONER: Well, just remain a moment and I'll see what he's got to say. In any event, you'd rather have the cash?

A No, I prefer to stay with oil and perhaps be subsidized --

THE COMMISSIONER: Yes, that's what I mean. You're not interested in getting natural gas here in Yellowknife, you want the cash. That's a reasonable proposition, and it's one that others have made.

MR. MIROSH: O.K., the example which I mentioned was based on 1985. What we've done is projected fuel oil costs to 1985 and we've projected natural gas costs to 1985 in Yellowknife, and on that basis, in 1985 the average household, we feel, in Yellowknife would be paying over $2,000 a year for fuel oil.

A Which would mean a fourfold increase for me.

MR. MIROSH: Well, if you're an average household, that's right. The average household with natural gas would be paying slightly in excess of $1,000 a year in 1985. Now that's based on a certain consumption which is calculated to be an average household consumption for perhaps a bungalow with three bedrooms and so on. In that way we project about a $1,000 per year saving per household in 1985. Now you had an earlier question prior to that.

A Yeah, well, Westcoast Transmission --

MR. MIROSH: Oh yes 0.K. Well, I haven't seen the article but I do know that Westcoast Transmission, who is one of the sponsors of Foothills, has a commitment which has been previously made to export British Columbia gas to the States, just as we export gas from Alberta to the States under permits which have been granted by the National Energy Board over years past.

Now it's only in the last few years that people outside of the oil industry and also in the Energy Board have recognized that there is a shortage and have restricted or probably totally shut down any additional permits to the U.S.

Now what has happened in the Westcoast case is they have a gas plant -- and I forget exactly where it is in Northern B.C. -- which has been producing gas over a number of years, but which a couple of years ago has run into difficulties due to reservoir problems, which I am really unfamiliar with. But they have had to curtail the amount of gas they take out of that particular reservoir and process; and as a result they have run into shortages which were totally unpredicted, and in order to overcome these shortages Westcoast, and I suppose the British Columbia Government, has decided to cut off a certain amount of gas export to the U.S., which is in effect breaking a contract, because it's a contract which was signed years ago. Now I assume the article you're referring

to probably said that Westcoast would try and meet their contractual commitments, which they haven't been meeting over the last few years, with some of the northern gas. This does not mean a new export permit. This only means -- and if I read it correctly -- that they would be attempting to just meet commitments that they're unable to meet due to a problem in a reservoir they have in B.C.

A Oh, I have no quarrel with that, but if you say here that northern gas is being transported to Canadian markets, without mentioning .that it would be misleading. It would not be telling exactly as it is, not to use the word "misleading"

MR. MIROSH: Well, I am really unsure of this article and I don't know if that's what they said, but I suppose Westcoast had two options: (1) was to cut off B.C. consumers and meet their contractual commitments to the U.S., and (2) was to do the other or perhaps pro rate it.

A Well, I understand it that you want to fulfill commitments, but use northern gas for that. As I say, I have no quarrel with that. It's only that the statement you make here should be slightly altered in order to take that into account.

MR. MIROSH: No, not really.

A If it is in fact as it appears to be. It's only my opinion, whether I'm right or not is not for me to decide.

MR. MIROSH: You see, you

could argue that Westcoast will do when northern gas was coming down was to take British Columbia gas and export that, and use Arctic gas in B.C.

A But they state they want to use northern gas.

MR. MIROSH: Well --

A I seem to remember that it was black and white in this article so I think this is the end of this argument.

THE COMMISSIONER: Yes, well it's been a worthwhile argument. Well thank you very much for your very well-organized and thoughtful statement, sir. Could you leave your written statement with us so it can be marked as an exhibit? Thank you.

(SUBMISSION OF A. DUESTERHUS MARKED EXHIBIT C-227)

A Thank you, sir.

(WITNESS ASIDE)

(APPLAUSE)

THE COMMISSIONER: Well, does anyone else wish to say anything? Yes sir.

MR. RUSSELL: May I sit down, sir?

THE COMMISSIONER: Yes, please do.

ROGER RUSSELL sworn:

THE WITNESS: I'm Roger Russell. I guess I'm almost a native of Yellowknife for the last two years, I guess I have to follow sort of a hard act, I guess, that just went on. I've just gone through a few

little items when the Inquiry was going on and so on.

I had either the fortune or misfortune of working for Bannister Pipeline Company in 1972 on the TransCanada Pipeline in Northern Ontario, and in 1972 was quite a ravage, I think, on TransCanada they're talking about a right-of-way that's probably about -- I could be corrected -- it's 300 feet wide, and then associated with this there is roadways and access roads and so on. In say the larger communities like Norman Wells and Inuvik, there's places in Northern Ontario that are the same, where the large pipeline companies like Bannister, Majestic and so on, probably just mow over, you know, probably 100-200 acres and set up ready for production.

So say past performance in Canada on pipelines, in my mind, hasn't been very good and even in the '70's, we're still doing quite a ravaging in Southern Canada, let alone Northern Canada.

Another thing that bothers me too is I was also a laborer for TransCanada Pipeline and at the time in '72 I was making over $500 a week, and it my early 20's that's an awful lot of money. Then you g back down to say Southern Canada or Northern Canada, an you've probably got say $10,000 that you never would have had before sort of thing, and so it really does change your life-style with the large amount of money that you do have.

I, guess both companies are talking about hiring a lot of northern people. Well,

there was a program on C.B.C. last week and it talked about people making $1,500 to $2,000 a week, which is three and four times what I was making back in '72, which means that there is going to be a lot of northern people here who are going to be sitting around with maybe $60,000 in two years sort of thing, and maybe a lot of northern people won't want to stick around in the Northwest Territories after that, and go down to the southern parts of Canada and probably have, you know, troubled times down there.

So that's another point.

Another real point, too, is that there's two private companies building this pipeline. I'd also like to know what the costs to the Canadian Government or the Canadian people are of this pipeline? In the article on the Alaska Pipeline, it talked about policing problems, the social problems, and so on, so there's going to be an awful lot of problems that they really haven't talked about. They've talked about construction and in hiring people, but not the other problems, that this large influx of people into the Northwest Territories is going to cause, which means that the Canadian Government, the people in the Northwest Territories are going to have to pay for that.

Also, like, I've been working and had the fortune of travelling in the Northwest Territories over the last two years too, and I'm working for the government, and pretty well around Inuvik and Norman Wells and so on you can see scars from cut lines and so on, where if my understanding is correct, a

Nodwell(?),which is sort of like a Bombadier, large track vehicle goes over there in the wintertime and just moving across the terrain in the wintertime will cause areas where there's permafrost to sink up to six feet. So I'd really be interested in knowing a lot more about how they plan to cross this very fragile terrain in the wintertime, and have it stand up after in the summertime.

Also my association with the TransCanada Pipeline in Northern Ontario, I guess we are fortunate that there is the Trans-Canada Highway that goes along very close to the pipeline; but in this area there's going to have to be a road built that's either adjacent to the pipeline or goes over top the right-of-way, and it seems as though the Canadian Government should probably think along the lines of building, say a corridor for transportation as well as, like say for human transportation as well as for mineral transportation too, at the same time.

Also, another thing too is that if reserves of oil are found in the delta, of the Northwest Territories and so on, if it is economical now to build a second line for oil, or say in the next ten years it's economical to build one for oil, that probably they should be looking at building two lines at this time because, you know, again you get in there and you build it and it's in the ground. What they've done on TransCanada Pipeline is that back in '57, '56 to '59, they pat in a 30-inch pipeline and back in the '70's they started putting in a second line. So across

Canada they've been in twice.

So I think that those are the sort of things that I would really be interested in finding out more about.

THE COMMISSIONER: O.K., the question that you raised about damage to the land is one that we're dealing with day after day at the formal hearings at the Explorer. It's a complicated subject because no one has anywhere in the world ever sought to build a pipeline through permafrost, certainly not for along a route like this, and no one has ever sought before to build a chilled gas pipeline anywhere in the world. But we are looking at those questions in great detail, as we must. All I can say is that the pipeline companies -- I'll ask these gentlemen to add anything if they wish -- the pipeline companies have brought before us very detailed proposals regarding the measures they intend to take, the kind of vehicles they intend to use, the time of year they intend to work, the safeguards they intend to adopt to ensure there is only minimal damage to the land and the vegetation; and we're looking at their whole case to see if it stands up to close scrutiny. That's what the Inquiry is all about.

The other point you raised, you said, "Well, if they're building a gas pipeline now that if they want to build one now and then they think they're going to build an oil pipeline later on, they should look at the impact of both."

Well, we're doing that too. and the Federal Government has asked us to do that to

say to them at the end of the Inquiry, "If we build a gas pipeline, what's the impact? And if an oil pipeline comes afterwards, what's the impact of that? And what's the combined impact?"

Now I don't know whether --

A Can I say one thing?

Q Yes, certainly.

A In Northern Ontario the TransCanada Pipeline wanders around through Northern Ontario. Also the Trans-Canada Highway, and there's been talk for the last five years that it's possible that there is going to be a Mackenzie Highway, and it could be very possible to build a corridor, like a transportation corridor, rather than having a highway and then an adjacent sort of right-of-way for natural gas.

Q Well, when the Inquiry was established last year, the government was contemplating the development of a transportation corridor that would include oil and gas pipelines and a highway, perhaps in the future hydro-electric transmission lines, telecommunications facilities and so on. Now their highway program has been curtailed, and as I understand it they now have decided they will complete the Mackenzie Highway to Wrigley by 1979, They have no further plans to continue with the construction of the Mackenzie Highway, so that it appears that in a sense what we're looking at now is an energy corridor rather than a transportation corridor. The river is still there, which is still the main transportation link, certainly for the carriage of freight along the

Mackenzie Valley. That's all I can tell you about that.

A Well, like it's my understanding, after seeing what the operation of what gas lines are like down south, if -- well, around Aikens, Ontario back in 1972, a section of pipeline, I'm not sure what the causes were, 15 miles of pipeline was blown out of the ground, which means that it probably could happen any time of year, and it seems to me that a road has to be associated with this pipeline because if 15 miles does blow out of the ground, they are going to have to get in there rather quickly and replace it.

So it seems that with this scheme you do have to have a road.

THE COMMISSIONER:

That's a good point. Do you want to say what you would do, Mr. Workman, in the event of a rupture, say in the middle of the summer when you couldn't use snow roads?

MR. WORK-MM: Yes. Well, that sounds pretty drastic to have an explosion ripping up 15 miles of pipeline. I know it has happened.

However, firstly the specifications that we are putting into the type of steel to Use on this pipe, the dimensions of the pipe and so on, the engineering that's going into it must be such have that we just/eliminated, practically eliminated the possibility of such a rupture. However, you can never be sure, so as well as all these tight specifications on the steel and thickness and so on, we will have crack arresters, so that by any chance there is a rupture

of the line it will be arrested in a very short distance, it's not going to go any length. The rupture will just be a very short rupture.

If it does happen -- and that's a mighty big "if" --

THE COMMISSIONER: The gentleman question was, "if it happened" and we've been told there's a 50-50 chance of fire spreading to the vegetation or the forest around the pipeline if there is a rupture. How do you get in there when you don't have a highway? How do you get in there to cope with the rupture to repair the line, and to put an end to the forest fire if one has started?

MR. WORKMAN: There probably would be a fire if that did happen, and we would certainly get in there with helicopters and get the -- well, the first thing that would happen, the pressure in that section of line would automatically be shut off. We have valves on each side of the break that would automatically close to prevent further fuel from escaping. Then the fire that would develop would have to be put out. We would have fire-fighting equipment, and men brought in by helicopter. Then once the situation, the immediate emergency is overcome, we would have to look at repairs and that would probably be done by bringing in people, some equipment by helicopter, and if necessary weld have to use some of these low-pressure ground -- low ground pressure vehicles such rologons that can go over the pipeline right-of-way without damaging the terrain.

We see examples of them in Prudhoe where we don't -- where these vehicles can go over the terrain and do very little, negligible damage. As a matter of fact, I understand that a person could lie down and have go right over your foot without hurting your foot. They are very low pressure vehicles.

This is the sort of equipment we would have to use in such an emergency.

A Well, the thing is I guess you're talking about 1,000 miles. Are you going to have camps that are staffed with vehicles that can handle replacing 15 miles? Like 15 miles of pipeline -- the construction I was involved with is like new construction on TransCanada, and to place 15 miles of pipe in the ground is a major operation.

MR. WORKMAN: There won't be break of 15 miles. We'll overcome that by other means.

A O.K. My understanding is that TransCanada's pipeline, which is 30 and also 36-inch pipeline, like I was working on a test crew too, and I'm not sure what the figures were but 'I think they were tested to 15 or 1600 pounds per square inch, and the pressure that they were running at was, 1 think, 96980, and even though you go through the rigorous testing and so on, pieces of pipe still do blow out of the ground. It's that sort of thing that, if you've got 15 miles of pipe that pops out of the ground and it's in the fall sort of condition, and the rest of Canada is waiting on this resource to get to Southern Ontario and

so on, you've got problems.

MR. WORKMAN: That 15 miles that you were referring to was pipe designed for Southern Canada, designed in a place where you could get in and correct it. TransCanada was not concerned about the environment when that pipe was laid in the ground, as the pipeline companies are today about laying pipe in the north. Now we are building into our specifications for the pipe specifications that will not allow a 15-mile split like that.

A Well, what's the difference between your check valves -- 20 miles or so, or 50 miles?

MR. WORKMAN: Yes.

A 20 miles?

MR. WORKMAN: They'd be about 20 miles, yes.

A Which means that if you -- say if it doesn't react fast enough, you could conceivably get an explosion in a 20-mile section.

MR. WORKMAN: When you say "explosion", you mean a tear in the pipe?

A Well, like I'm not sure exactly how this eruption happened in Northern Ontario. But it blew 15 miles of pipe out.

MR. WORKMAN: The pipe ripped for 15 miles.

A Well, the explosion was so intense that it brought it out of the ground, and it was buried a minimum of three feet, and it also blew

up a $2 million compressor station.

MR. WORKMAN: M-hm.

A And it's fortunate in Northern Ontario that they do have a second loop that the energy can get by, but with one line.

MR. WORKMAN: What I'm saying is with the specifications, the design of this pipe, there won't be a split of 15 miles. That split will be stopped. If a split were to happen, it would be stopped in a very short length, a matter of feet, not miles.

THE COMMISSIONER: I should tell you that they intend to use steel bands around the pipe every so often, so that -- and they call those crack arresters -- and their case is -- this is what they say and it's disputed by others -- that that will mean that if you do get a break and a rupture, it will stop where you have those steel bands around the pipe. It won't go on for miles. Now that's one of the things we're looking into. I don't expect Mr. Workman necessarily satisfy you tonight, or to satisfy me for that matter that it will work, but that's Arctic Gas' program, that's their argument.

A Yes, then I'll accept that. Another thing, too, is that like working on the TransCanada Pipeline, well in 1970 the technology, there seemed to be a lot of things that even when construction was going on that the pipeline companies you know, were trying out, and not really aware of, like, you know, river crossings and so on, and that's

sort of probably in a less difficult/area, and like the north is a place that not many people have been up into, especially big companies.

THE COMMISSIONER: I think it's fair to tell you that we're all concerned about river crossings, and Arctic Gas has already once made a major change in its program in relation to river crossings, and has come before the Inquiry and has said, "We're making a very important change in our river crossing program, and these are the reasons, this is what we want to do now."

Formerly they were going to have the pipe simply going under the Mackenzie and the Bear River and the other major crossings; but now they are having two pipes going under so that if one fails under the river where it is during breakup and freezup virtually impossible to get at it to repair it, there will not be an outage for a period of two or three months, or whatever. They say that having two pipes offers a greater measure of security than one, which sounds reasonable enough, and our task is to consider whether two pipes, given the design they intend to use, will be good enough.. Or will there be a double failure? That's one of the questions.

But to be fair to Mr. Workman and his colleagues they are looking into these questions and they don't appear to be afraid to come forward at the Inquiry and say, "well, we thought of a change because we think it will be better," and so forth. Foothills often argues with them about these things

and says, "No, that won't work. Our system will work a lot better." Foothills is essentially a conventional pipeline system. Arctic Gas is in many ways a new type of pipeline system, previously unused anywhere in the world, and untested as well, that's what Foothills says about the Arctic Gas system. They say it's risky, and Foothills says, "Ours is conventional, been tested in the south, it will work here."

Arctic Gas has a very distinguished array of engineers who have come forward to justify their program, and bear in mind theirs is a new system because they want to carry large volumes of gas from Alaska and the delta to Southern Canada and the United States, so they have to bring very large volumes through the pipe. The pressures are very great, so the pipe has to be of a greater strength than we've known in the past, and they've had to develop these measures that have been described in some detail before me and very briefly here.

I hope I'm doing justice to both of you.

A Thank you.

THE COMMISSIONER: Well, thank you, sir.

(WITNESS ASIDE)

THE COMMISSIONER: We have some coffee here. Maybe we could stop for five minutes and you could help yourselves to a cup of coffee, and if anyone wishes to speak afterward, after the coffee

break, please come forward here a speak to Mr. Waddell, the man dressed in the blue shirt and tie standing over at the side of the hall, and give him your name if you wish to say something, or if you wish to ask a question, just get up and ask it. You don't need a brief or anything like that. Just tell me what's on your mind and remember, we'll be here tomorrow night too, and at Latham Island next Wednesday, so I'd kind of like to go home around 11 tonight, if it could be arranged. So we'll have a cup of coffee.

(PROCEEDINGS ADJOURNED AT 10 P.M.)

(PROCEEDINGS RESUMED AT 10:12 P.M.)

THE COMMISSIONER: We'll call our gathering to order again now, and anyone who wishes to speak or ask a question may do so now.

MRS. MASTERCHUK: It's just a question.

THE COMMISSIONER: All right, you go ahead. Just give us your question. Give us your name first.

MRS. PAT MASTERCHUK unsworn:

THE WITNESS: My name is Pat Masterchuk. I have sort of two questions. I can't remember where I read this, I think it was in "Oil Week", that the resources in the Mackenzie Delta are limited. Now, what is "limited"? Is it a question of five years or ten years or 15 years? How long will we get the benefit of having built the pipeline; and the second question relates to the statement that in the high Arctic there's supposed to be unexplored

fields that are more vast than the fields in the Mackenzie Delta, and there was thought given in this article to building a pipeline straight across the north to connect with another one running down Hudson's Bay. How do the gentlemen feel about that?

THE COMMISSIONER: O.K., I think we'll call on both of them. Why don't you move up here, both of you, and Mr. Workman, since you say that the reserves of gas in the delta are limited, you might go first and develop that argument, and then we'll hear the other side of it from Mr. Mirosh.

MR. WORKMAN: Well, when we say the reserves are limited, I think what we're referring to is what we call threshold limits of the gas supply. By that we mean how much gas do we need to justify building a pipeline? In other words, to build a pipeline we must be sure that there's enough gas in that area to warrant spending the money to bring it out. If there's not enough gas there, investors will not put money into the pipeline if they're not sure that they're going to get their money back.

If there is not enough gas to keep a pipeline going, say, for 20 years, there's -- you're not going to get anyone to invest their money to bring this gas out.

Now, we feel that this threshold limit is around 18 trillion cubic feet of gas. Today there's been discovered or a potential, a proven potential, I think is the term, 6.5 trillion cubic feet. Before we can justify bringing the pipeline from the

delta alone, we would need three times that volume of gas, and we feel that it's probably there, but when we go to a finance company and say, "We think there is 18 trillion cubic feet there. Will you --"

THE COMMISSIONER: Don't tell these people you're going to the finance company.

(LAUGHTER)

They'll lose all faith in you.

MR. WORKMAN: O.K., when we try to raise this money, the people that we will be borrowing from will have to be sure that they're going to get that back, and they're not going to loan us the money on the basis that the gas is probably there. They want to be sure it's there.

Now, we know that there's gas in Alaska. There's about 24 trillion cubic feet in Alaska, so as far as we can see, the obvious way of building this pipeline is to bring this Alaskan gas out and then pull in the 6 1/2 trillion cubic feet of delta gas and tie that in, and by tying the two together, you can justify building a pipeline right today, not build it on the hopes that you will find more gas in the delta in the future. If you happen to find more gas in the delta in the future, great, that's --

A On that justification, is it just to carry American gas rather than to bring down the gas for Canadians? Part Canadian gas, that was the question.

MR. WORKMAN: That would bring

the American gas down to the Americans, and it would bring the Canadian gas down to the Canadians. Now we can't justify bringing the Canadian gas down to the Canadians without tying in to the American gas. Right now we can tie it in and get this financing right now, there's enough of American gas and Canadian gas to do it right today.

Now there is another advantage to tying in this American gas. Pretty soon Canada is going to be in a pretty grim shape with the balance of payments, as our oil consumption goes up and our oil production goes down, we're going to find that Canada's exchange payments are going to swing the wrong way. Right now we're in pretty well of a balance. We are producing just about as much oil as we use. But pretty soon we're not going to be in-balance and we'll have to rely more on Arabian or Middle East oil coming into Canada; and that is going to affect our standard of living fantastically because it will throw our balance of payments cut completely. But if we can bring this Alaskan gas down through Canada into the States, just the mere fact that we're bringing this gas through Canada, we can bring in at least 400 million dollars a year from the States into Canada, and that will balance up our payments again, so our Canadian standard of living will Snot suffer.

I think this is a mighty important factor that Canadians should consider, that if we don't keep our balance of payments in-balance, our standard of living is going to drop, and here is an

ideal way of helping maintain this balance of payments. Does that answer your question? Ed?

MR. MIROSH: We're proposing a smaller pipeline, an all-Canadian pipeline, and we don't agree in the first instance with Arctic Gas' analysis of what is proven in the Mackenzie-Beaufort area. I should point out that both Arctic Gas and Foothills have consultants who are experts in estimating how much gas is in the ground and proven.

They say 6,5 trillion cubic feet; we say 7.5 currently. Now on the basis of 7.5, we feel we can justify a smaller pipeline, one which doesn't have the capital cost associated with it as the Arctic Gas Pipeline does, one which could carry (if that was all the gas that was in the Mackenzie-Beaufort), 1.2 billion cubic feet a day and we're advised by our financial consultants that could be financable.

Now what happens, of course, when you build a pipeline as Justice Berger has said, is that exploration activity is enhanced. Our consultants predict in the Mackenzie-Beaufort area that there is a potential for discovery there of some 35 trillion cubic feet, providing exploration activity is carried out. Arctic Gas' consultants are even more enthusiastic, I think, in their application; they say there is a potential of 50 or 55 trillion cubic feet in the Mackenzie-Beaufort area. I don't know if they've changed that prediction recently, but I do know that we're on the conservative side as to potentials.

Once the pipeline is built, whether it's Arctic Gas or Foothills, there would also be exploration activity along the route. Now historically in the early days when Westcoast and Trunk Line were both built they were not constructed on fantastic reserves in Alberta and British Columbia the reserves were such that early deliveries were only a few hundred million cubic feet a day. As a result of pipelines being built into these areas, you probably know that both Alberta and British Columbia have had vast discoveries over the last 20 years, and Alberta in fact exports out of Alberta something like 5 or 6 billion cubic feet a day currently.

So we feel there's no question there is great potential in the Mackenzie-Beaufort area once a pipeline is built, and that a smaller pipeline, one which is more manageable, one which can be built with less strain on the economy of Canada, one which has a smaller capital cost associated with it, is far better for the Canadian economy at this time, because you must remember that Arctic Gas is Stalking about a pipeline in Canada which is some $7 billion to bring gas only through Canada, then to transport it across Canada they talk another perhaps billion and a half, which they haven't mentioned.

The Foothills Pipe Line would cost $2.3 billion, fully developed in the Northwest Territories and an additional $2 billion to expanded pipelines in Southern Canada, making a total of $4.3 billion. The impact of financing such a project on the

Canadian economy is much more manageable and we feel far more reasonable.

Mr. Blair, the president of Foothills, however, has said that in the future we're not against transporting American gas. We just don't want this to be an American-inspired project. If producers in Prudhoe Bay came to Foothills, after Foothills was established carrying Mackenzie gas and said, "We would like you to carry some Alaskan gas." We would be quite prepared to finance and construct a pipeline across to Prudhoe providing they would accept whatever terms and charges we had to lay upon them at that time. So we're not against it. We would certainly do it if people approached us on it, but we are saying it should be a Canadian pipeline for Canadian purposes.

THE COMMISSIONER: Yes, go ahead.

THE WITNESS: I'm still not quite clear if 7.5 trillion cubic feet, how long will it take? Let's say that's all there is. You say there may be more but how long before that is extracted in terms of years?

MR. MIROSH: That would probably be about 15 to 18 years. But again, going back to the example of Trunk Line and Westcoast, the capital expenditure associated with those pipelines, when the deliveries were begun, were in the same comparable range. There just was not that much gas in the beginning compared to the amount of money that was spent

THE COMMISSIONER: I think I

should tell you that this question whether Canada needs the gas is something that isn't for this Inquiry to try to figure out. That's for the National Energy Board, and Mr. Workman and Mr. Mirosh agree that Canada needs the gas badly, that's their case, that's why both companies want to build a pipeline, and that's the case they'll put before the National Energy Board.

There are others appearing before the National Energy Board who will say that because we export virtually half of the gas that we produce in Canada each day, we have developed a need for frontier gas that can be resolved in one of two ways: We build the Mackenzie Pipeline to bring frontier gas to Southern Canada; or else we stop exporting Alberta and B.C. gas to the United States and use our Southern Canadian gas to supply Canada's needs. That's an argument that will go on before the National Energy Board. I think we're all aware of it in some measure just because we're concerned citizens, but it's not something that this Inquiry is going to be in a position to sort out. I only took the liberty of mentioning that because we have these two very able gentlemen who bring -- who develop that subject when people like you ask, and I never stop them because you're not aware-of the limits on the terms of reference of the Inquiry. But I thought I should just try to tell you that the National Energy Board will have to wrestle with that one.

THE COMMISSIONER: Well,

anyone else has anything to say, or a question?

THE WITNESS: What about the second half of my question about the pipeline down Hudson's Bay?

THE COMMISSIONER: Sorry, I -- oh, a pipeline from the high Arctic; well maybe these gentlemen wouldn't mind if I just said something about that, if I can summarize it fairly.

The reserves of gas in the high Arctic are apparently greater than in the Mackenzie Delta. There are formidable engineering problems connected with bringing gas under the sea from those islands to the mainland and then south, either along the west side of Hudson's Bay or the east side of Hudson's Bay to the south.

Mr. Blair of Foothills has said that if his pipeline is built from the delta south, to connect with the Alberta-B.C. and TransCanada systems, then he would think that the next step would be to bring gas from Banks Island and Victoria Island to the delta and then down the Mackenzie Valley Pipeline. Whether that -- no one has found gas on Banks Island or Victoria Island, that's the only thing that's wrong with his theory up to this point. But I suppose that some would say that if that did occur, then you could bring gas from the high Arctic down the Mackenzie Valley; others would say, "No, the only way to do it is to bring it by establishing a line that takes you to the west coast or the east coast of Hudson's Bay, then around the Hudson's Bay. But there is nobody that at the moment

has said they want to build that pipeline. We have got this Inquiry going because both of these companies have said, "We want to build a pipeline in this valley.

(WITNESS ASIDE)

THE COMMISSIONER: I think there are a couple of ladies who wanted to say something or ask a question. Yes, ma'am?

MRS. COOK: I would just like to say something.

THE COMMISSIONER: Sure, go ahead. Just sit down and go ahead.

MISS LANNIE COOK unsworn:

THE WITNESS: O.K., I'm not going to be at all technical.

THE COMMISSIONER: Could you give me your name first?

A Yeah, my name's Lannie Cook. I'd like to just sort of reflect on what the north has sort of been to me and sort of maybe get a little depressed about what might happen. It's been really good to me for the last two years, and when I first came up I was relieved to find a place where there wasn't hustle and bustle, where people weren't running around hustling for jobs, and it wasn't a pushy place, it was nice and easy-going. I found I could meet friends here very easily. It was a very pleasant place to come. I think there are a lot of people who feel this way about the north. I've run into lots of

people who have said, "oh, this is sort of the place for me, I've finally found my place away from a lot of the southern hassles that there are."

I think I've been able to find much more exciting and creative jobs up here than I would have down south. The opportunities have been more open here. It's been easier for me with my skills to get the kind of jobs I want, and I think other people have found this too. It's like a frontier place and there's all kinds of things happening , and it's exciting to be here.

I know the north is going to have to go through changes and I think it's important that some changes are made. I certainly approve very much of the way the Dene people are working hard to improve their future lives, and I certainly would support any proposals that they would make.

As a white person I kind of like it the way it is now. It's been very nice for me. It would be too bad if it became another place like big southern towns where you have a lot of big industries, a lot of people dressed in fancy business suits. It's a very relaxed place as it is now.

I was over in Rankin Inlet for eight months and was amazed there at the big change that an influx of white people can make in a small community. I don't know what it's like in the Indian communities, but in this little Eskimo community I was in, there were about 100 people moving up from Churchill, Manitoba, to re-locate the government into Rankin

Inlet. I found that the place became very changed just in the eight months that I was there, and it was upsetting to see people kind of felt a lot -- I felt that the Eskimo people felt a loss of power over their own lives and there were a lot of social problems there.

So I've come back to Yellowknife and it would be nice if Yellowknife stayed the way it has been for me in the past. I guess there are going to have to be changes made and I guess probably a pipeline will happen; but it would be awfully nice if there could be some way that we could keep the good things that are here the way they are. It would be awful nice if I don't have to go to Grise Fiord to find the nice easy feeling I found here.

THE COMMISSIONER: Thank you very much.

(WITNESS ASIDE)

THE COMMISSIONER: Yes, ma'am?

MRS. MARTHA AYLOGT unsworn:

THE WITNESS: I have several questions in regard to the pipeline.

THE COMMISSIONER: Maybe you could just give us your name for the record.

THE WITNESS: Oh, my name is Martha Aylogt. Earlier I was able to go up and hear some of the testimony before you, and the testimony I did hear was with the engineering forum before you. I

am still somewhat concerned. One of the engineers there said words to the effect that whatever problems should arise with building the pipeline, that they would fix them. What I am somewhat concerned about is to whose satisfaction are they going to fix these problems? Are they going to be to their satisfaction or are they going to be to, say, the Territorial Government's satisfaction, or are they going to be to the people of the Northwest Territories? For instance, if the pipe is going to go through native -- an area that has been sort of designated as more or less belonging to a native group, are they going to fix the problem to that group's satisfaction?

I don't mind them sort of fixing problems, but I don't want them to sort of fix a problem that is to their satisfaction but still leaves a lot of dissatisfaction on sort of any part of the Northwest,-or anybody in the Northwest Territories.

THE COMMISSIONER: Well, right now they have to show to my satisfaction that they know how to build this thing without causing the kind of injury to the environment or to the whole fabric of the northern community that would be regarded as unacceptable. That is the first test they have to meet They have to satisfy the Inquiry that they know what they're doing, and we have been listening not only to these two pipeline companies., but to the native organizations, the environmental organizations, and people like yourself throughout the valley who have raised

these questions, and we've insisted that Arctic Gas and Foothills come up with the answers, and they are certainly doing their level best to come up with the answers. That's what we spend our time each day doing at the Explorer, and it may seem painstaking, and it is, because it's just got to be done in a painstaking fashion if it's going to be done right.

Now when the Inquiry is over, I will make recommendations to the Minister regarding the terms and conditions they will have to meet, if they are going to be allowed to build this pipeline. Then it, of course, will be up to the Minister of Indian Affairs & Northern Development and his colleagues in the Government of Canada to decide whether they will go along with the recommendations I make or not.

What terms and conditions they will impose, and if they do allow the pipeline to be built, the way in which they will make sure that the terms and conditions they require these people to meet are in fact lived up to.

Now that's one of the things; the first witness this evening suggested there be an Independent Board established to make sure that they do live up to what he called "no-nonsense conditions". That's a point of view that a number of witnesses have expressed in various communities, and it's one that I'm considering. There have been other suggestions and there will be more, and I will be making recommendations to the Minister about that very subject. But at the moment we're just listening to

what you people have to say so that we'll be in a position to make the most intelligent recommendations that we can.

THE WITNESS: I think, sir, that I will go along with that other witness' point of view that an Independent Board be established to look after no nonsense conditions.

I have several questions sort of in dealing with, shall we say, a participation point of view of the pipeline. Arctic Gas has come out and said that only if the government says that they have to build, say spur lines to communities, and Foothills has said that spur lines to various communities along the pipeline will be serviced with natural gas.

One of my points is that I live up here and I have to face trying to heat a house when it's 50 below zero outside. Not that it doesn't get cold in other parts of Canada, or even in the Unite States, it's just that perhaps if they don't have to face minus 50 degrees they don't have to use quite as much gas. I would have to say that if I'm not going to be able to feel the benefit, i.e. being able to use this gas in order to either heat my home or to my business, if I'm a business man, this sort of thing, I can't really get too excited about the pipeline. You know, from this point of view it would tend to look to me as if we're getting all the problems and somebody else, either Southern Canada or the United States, are getting all the benefits, and where does that leave us?

Also, assuming that the line

is built, what happens in a situation where say within a certain distance from the pipeline, let's say 100 miles, they either find or maybe they do know of some form of either ore or some other product that could be exploited, some other resource that could be exploited. One of the things -- one of the reasons that they haven't exploited this resource is that they don't have some means of power, either some means of say causing heat in order to process, or just in order to get power fairly close to that resource. Are the people of the north going to be able to draw on the pipeline to -" if it would aid them in exploiting such a resource?

THE COMMISSIONER: You mean to use the gas as fuel, is that what you mean?

A Yes, or as a means of fuel to provide power.

Q You mean if someone discovers a large body of copper and wants to establish a copper smelter near that ore body, and then wants to use gas from the pipeline for the purpose?

A Right.

THE COMMISSIONER: Well, what do you say about that, gentlemen?

MR. MIROSH: Yes, that's something that I've mentioned before, that our policy is to make gas available for northern use, and one of the possible uses which I have mentioned is the benefit-iation of ore or refinement of ore in the north, if it is found. We've stated that the charges for transporting gas, which we are offering to communities, would be

either the actual transportation charge to the community or the cost of that gas transported to the 60th Parallel, whichever is cheaper. That would apply to any industrial, commercial, or residential use in the north.

MR. WORKMAN: I think Arctic Gas has stated wherever it's economical to provide gas to any of the communities, it will do so. Now Yellowknife is not an economic community to supply gas to, nor is Hay River; but we could do it if, for example, the government says one of the conditions of building a pipeline is to provide gas to these communities, we certainly would do that.

But we're not sure this is the best thing for the community of Yellowknife or Hay River. Maybe that money that will be spent building such a pipeline could be better spent, as I think one gentleman earlier tonight mentioned, maybe we could -- this money could be used to subsidize some other form of fuel or some other method of cutting down the cost of living in Yellowknife; and we prefer to leave that option open, rather than to say, "We will bring gas into Yellowknife." Let's look at all of their aspects of it. Maybe we can find a better deal for the people in Yellowknife.

A Would you give us some idea of what sort of communities it would be economical to put gas into?

MR. WORKMAN: You have to look at each community on its own. We have a list, and I can't be sure right now offhand of each of these

communities, but such as Inuvik, Fort Good Hope, Norman Wells, Fort Franklin -- oh, pardon me, not Fort Franklin -- Fort Norman, Wrigley, Fort Simpson, I know they are all on an economic basis.

THE COMMISSIONER: They are right on the route itself.

MR. WORKMAN: But when you go any distance off that route, then economics must be looked at pretty closely.

A Well then, what about the case then where, say within a radius of 100 miles from one of these communities, say they were to find say a body of say copper ore and they wanted to exploit that. Then they would not be able to use some of the gas?

MR. WORKMAN: No, if there is a large enough demand for the gas and it's going to be a use that will require gas in a volume that will be economic to bring it in, in other words it's not just 2,000 cubic feet a year or anything like that, you know, something that will warrant building a pipeline into that particular operation, then it would be done. But we'd have to look at each one, and it seems that if there is a good find of say some ore or some industrial or commercial concern that looks like it should be set up near the pipeline, then by all means we would be glad to supply that particular factory or whatever it might be.

But I think we'd have to look at each individual case on its own merits.

A I see. I do have one other question, and I don't know exactly who I should ask it, I don't know whether you're really the person who can answer it, but I'll ask it anyway

That is that the Federal Government, is it would appear, entering into talks with the American Government about writing a treaty covering this pipeline, and the use of the gas. So far because of the different levels of government, no one from the N.W.T. is sort of going to be present to hear or participate in these discussions. If the N.W.T. is going to develop and if at any time in the future it should become, say, viable to be a province on its own, and at that time we take over) the government. that would be set up in the N.W.T. were to take over the rights that a province would have regarding natural resources, how are we to sort of know what has been bargained for on our behalf?

THE COMMISSIONER: Well, let me put it this way, I don't think that I know any more about -- all I know about this treaty is what I read in the papers, but the Government of Canada is responsible for making treaties and not the provinces, even if the N.W.T. were a province it would still be the Government of Canada that would be making the treaty. The treaty appears to be to ensure safe and uninterrupted passage of gas from a point within one of the countries to cross the other country's territory, and as I understand it, Canada has gas pipelines that go through the U.S. now and re-enter Canada, and its designed to

ensure safe and uninterrupted passage of Canadian gas for such purposes as well as to ensure safe and uninterrupted passage of American gas, if the Arctic Gas Pipeline were built.

That seems to be what it's all about. The question, "What about the resources here if the N.W.T. became a province?" Well, the Prairie Provinces became provinces and the Federal Government continued to hold onto the natural resources of the Prairie Provinces, and didn't turn them over to the Prairie Provinces until 1930. If you became a province the Federal Government might turn the resources over to you, it might not turn them over immediately; but those are questions that lie in the womb of time and it's an interesting thing to discuss but I know no more about it than you do. Your guess is as good as, and probably a lot better than mine.

Those are questions that if you and I live long enough, we'll both know the answer to, but tonight that's the best I can do.

A I see. The only other comment I have to make, sir, is that I am concerned that the native groups are treated and given a fair deal, and in regards to any form of land claims that may be given to them. I just sort of wanted to make that public.

THE COMMISSIONER: Fine. Well, thank you very much, Mrs. Aylogt.

(WITNESS ASIDE)

THE COMMISSIONER: Well, it's

close to 11 and oh -- unless you wanted to say something, sir?

A VOICE: I was just thinking the same thing as you were.

THE COMMISSIONER: You had the same idea.

(LAUGHTER)

Well, that makes it unanimous. I want to thank all of you who came tonight and I repeat that I regard your views, as this is your home, it's your future, what happens to you, if you live here is something that is as important as the views of the experts that I'm hearing at the Explorer, and your opinions are just as important to me as the opinions of the experts.

I want to thank you for coming tonight and I just want to say that we will continue this community hearing for the people of Yellowknife here at the Elks Hall tomorrow evening at eight o'clock and if you can come back then I'll look forward to seeing you then, and we can discuss these matters further. So thank you.

(PROCEEDINGS ADJOURNED TO OCTOBER 16, 1975)

Yellowknife, N.W.T.

October 16, 1975.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Well, ladies and gentlemen, I'll call our meeting to order tonight. I don't know how many of you were here last night, but in case you were not, I'll tell you that I am Judge Berger, and we are here tonight to listen to whatever you, the people who live here in Yellowknife, have to say about the pipeline project.

Last night we heard from the two companies that want to build the pipeline. One of them, Arctic Gas, the other Foothills, and last night they told us that Arctic Gas told us that the cost of building their pipeline in Canada would be $7 billion and more; Foothills told us that their pipeline would cost $4 billion and more. Arctic Gas says that if it is allowed to go ahead and build the pipeline, that the actual pipe-laying will take place during the winter, during three winter construction seasons, and at the peak period there will be 6,000 men employed on construction in the Northwest Territories and the Yukon.

Their pipeline, of course, is one that would bring gas from Prudhoe Bay in Alaska along the North Coast to the Mackenzie Delta and would pick up gas from the Mackenzie Delta there and then bring all the gas south to markets in Southern Canada and the United States.

The Foothills project would simply start in the Mackenzie Delta and bring the

Mackenzie Delta gas south to markets in Southern Canada They told us that when this pipeline is completed there would be something like 200-250 people employed in operating it and maintaining it here in the north.

Foothills proposal is different from Arctic Gas' proposal in that so far as Yellowknife is concerned, Foothills says two things about Yellowknife, they say first of all they would establish their headquarters here in Yellowknife and they would employ approximately 50 to 55 people here at Yellowknife Foothills also says that they would build a branch line from the main trunk pipeline heading south into Alberta, that branch line would come around to deliver natural gas to Fort Rae and Yellowknife so that householders here in Yellowknife would be able to heat their homes with natural gas at what Foothills says would be a saving to each home-owner of $1,000 a year by 1985. So that's what their proposals consist of.

They have representatives here tonight and later on we'll ask them to say something about the project. In the meantime they are here, as I am, to listen to you. If you have any questions about the Arctic Gas project or the Foothills project, you have the right just to get up and ask a question and we'll make sure that these people get up to answer it.

If you have any statement to make, any submission to make, you're welcome to come forward and do so, and it doesn't have to be in writing. If it is, that's fine; but if it isn't, if it's just

something that's going around in your head and you want to tell me about it, that's all right too. If you've got a question, you can just ask a question because that's fine with me, too.

So I think we'll just go ahead now and hear from any of you who have anything to say at this time. You can come forward to this chair here and sit down, if you like, and just make yourselves comfortable.

MISS ELAINE KEENER sworn:

THE WITNESS: We're representing St. Pat's social 20 and 30 classes.

THE COMMISSIONER: Would you just give me your name first?

A My name is Elaine Keener.

Q Go ahead.

A It was our intention in preparing this brief to survey the available literature on the impact of the proposed pipeline, and through a series of interviews, to prepare a statement of our position and point of view. We are speaking this evening not as experts or as radical advocates of a cause, but only as concerned citizens. We hope we do not offend anybody with our report, or misrepresent our sources of information.

We arbitrarily decided to break up our study into four sub-sections. We realize that it is decidedly difficult to deal with one area of concern independently of the others; but for purposes

of apportioning research assignments it became necessary.

Q Excuse me, just slow down a bit. Take your time. I'm anxious to make sure that I hear what you say.

A Sorry.

Q That's O.K.

A Our four topical areas are: (1) economic advantages and disadvantages;

(2) social implications and impact;

(3) environmental concerns;

(4) political ramifications.

The first area that I am going to deal with is environmental concerns. Through our research we have come to the conclusion that a pipeline down the Mackenzie Valley would drastically affect the environment. Presented here are some of the questions we feel should be answered before the contract to build the pipeline is awarded.

(1) How will the pipeline affect the migration of the caribou?

(2) What guarantees are going to be made that will ensure that no scars will be left on the terrain?

(3) What effect will the cold line have on vegetation and on the permafrost?

(4) How will erosion, sloughing and borrow pits be remedied?

(5) What guarantees will be made against fire?

(6) What effect will the changes in the current and waterflow in streams and rivers have on the spawning

grounds?
(7) What effect will the construction have on wild fowl?
If these questions can be answered prior to construction of the pipeline, and if the disturbance to the natural environment is kept to a minimum, then we feel that it may be a worthwhile project. We would like to suggest that a Regulatory Board be set up to watch and enforce all restrictions stated by the application. We also feel that there should be some positive way to enforce the set regulations.
Political concerns. The political ramifications of the Mackenzie Valley Pipeline are extremely diverse. There are several specific we aspects we thought we should deal with in this report. These are:
(a) the native land clams issue;
(b) the economic state of the Northwest Territories;
(c) political autonomy for the Northwest Territories.
First of all, native land claims. It is the unanimous feeling of all our sources and our own opinion that native land claims must be brought to an equitable settlement before a contract is awarded to build a pipeline.
Secondly, the economic situation. We have found that presently the economic situation of the Northwest Territories is sad, and that they are in fact nothing but a parasitic growth of the Federal Government. The building of a pipeline would boost the Northwest Territories out of this

economic position and with the implementation of provincial status, would make the Territories almost self-supporting.

The political autonomy aspect. With the increase in population expected with the coming of the pipeline, and a stable economic base provided by the pipeline, and all secondary industry created by it, the Northwest Territories would be able to consider political autonomy. We feel that if these political concepts are taken into careful consideration, and extensive planning is carried out to accommodate these issues, the pipeline will develop no serious political problems for the north.

THE COMMISSIONER: Thank you very much. That was very, very good. Yes, you carry on, please.

(WITNESS ASIDE)

MISS JANE LOFTUS sworn:

THE WITNESS: My name is Jane Loftus, and I'll be doing the social and economical problems, and effects.

We feel that the pipeline will have negative social effects; due to population growths, we foresee difficulties arising in such areas as education, health services, recreational facilities, construction patterns, and urban development. Concerning population, the communities will be temporarily enlarged over the 3-year construction period.

The pipeline will improve prospects of employment and

income; but unfortunately, the high salaries might influence a young person's decision not to complete High School. Certainly our health services, concerning our health services we will have to bring in additional doctors and nurses as well as increasing the number of health clinics to meet the growing demand.

The pipeline will produce negative effects because social disadvantages will overwhelm economic advantages. Money will be made but inflation will soar, and the community will experience drastic increases in social problems such as alcoholism, drug abuse, juvenile delinquency, and criminal crimes, divorce and overall social unrest.

We feel that the overall economic views towards the building of the Mackenzie Valley Pipeline will be for the betterment of all Canadians, but to every viewpoint there is another side. So we intend to look at the positive as well as the negative aspects in this issue.

We believe that the Mackenzie Pipeline will provide essential employment to both the people of the north and of the south, as the availability of jobs encourages development and expansion. In looking at the economic side, we must come to realize that hydrocarbons are among the most basic necessities in life. Lam sure that there is no doubt in anyone's mind that we will be facing a fuel shortage in the near future if northern hydrocarbons are not developed.

Some may say that our

resources too will run short. This is very true, but in 30 years when we do run out, science and technology will have perfected a substitute.

Having the pipeline running along our doorstep should decrease the price of natural gas for us northerners, that is if the feeder lines are running into the proposed communities.

Development of the hydrocarbon industry in the delta presents a unique opportunity for the development of sound, long-term economic benefits or both the natives and non-native residents. How can we pass up such an opportunity?

> "The discovery of gas and oil created the need for a pipeline. The pipeline in turn will open the way for further hydrocarbon exploration."

Increased, production could broaden the north's economic base, in non-existing communities create new ones, improve housing, communication and availability of industry. But then it could become purely an extractive industry, leaving the existing communities largely untouched. What will happen to the construction worker when the pipeline has been built? What will he do when he can no longer earn such an enormous wage? Will he return to the south

These are just a few of the road-blocking questions that we encountered, but we managed to find some interesting statistics. For every two jobs directly related to the primary and secondary industry, a further three jobs are created in the service industries. Thus the spin-off from resource

development, if wisely managed, could allow northerners increased self-sufficiency. But if the majority of people decide to go back down south, we will have major problem confronting us.

Let's look at a community that might have financed and. provided larger facilities and better services to meet the great influx of men and families. What is going to happen to this community during the post-boom period when they have a great amount of money tied up in facilities and services that they no longer require.? Because of this pipeline, thee will be a rise in services that will prove to be uneconomic when the development phase is over.

It can be expected that growth in centres -- it can be expected that in growth centres inflationary costs touching on most aspects of economic life, will be experienced. This in turn will particular: y affect natives in traditionally oriented communities to seek jobs In these growth centres, and in doing so become more involved in the monetized economy because they will be purchasing fuel oil instead of cutting wood.

Finally, the construction workers will be paid extreme wages, resulting in inflation taking an even broader jump. A pipeline worker will be willing to pay these unreasonable prices but what ill the" local business men, not even earning half the salary, do? Most likely he will either start working for the pipeline himself, or return to the south where living conditions are more stable.

So we recommend that price controls be put on construction workers' wages, certainly they have to be higher the going rate but we must not let it get out of control, as has been experienced by the City of Fairbanks, Alaska.

We have just presented what we as a group feel are some of the most important considerations for both the people of the north and the people of Canada as a whole, and we hope that our views will aid you when you come to your final conclusions. Thank you.

THE COMMISSIONER: Well, thank you very, very much. I hope that you will leave your written brief with us so that it may be marked as an exhibit and form a part of the permanent record of the proceedings, and let me just express my thanks to you for one of the best briefs that we've had presented to us anywhere in the north or in the south so far, and please convey my thanks to the students who helped you prepare it. Maybe I should just say that you have raised just about all of the really important questions -- social, economic, and environmental -- that the Inquiry is wrestling with, and maybe that explains why the formal hearings at the Explorer Hotel seem to go n week after week and month after month, because we're trying to get to the bottom of those questions you've raised. That's what we're doing up there, and it takes while. Well, thank you very much. Leave your statement behind, if you don't mind.

(SUBMISSION BY ST. PAT'S SCHOOL MARKED EXHIBIT C-228)

THE WITNESS: Thank you.

(WITNESS ASIDE)

THE COMMISSIONER: I should say t the students from St. Pat's , the Inquiry receives briefs from students in schools in many parts of Canada, and we have in particular received a brief from a Grade 10 class from Guelph, Ontario, and I'll see that Mr. Waddell, who is on my staff, supplies you with a copy of that brief. You might be interested in looking at it and comparing it to your own brief.

Well, anyone who would like to say something, or ask a question? You had better look sharp because if somebody doesn't say something quickly I'll ask the pipeline representatives to say something, and then we're in the glue.

WILL HUMPHREYS sworn:

THE WITNESS: My name is Will Humphreys, and I work in the mineral exploration field. I've been in the Northwest Territories for various periods of time each year since 1969, the last two years I've operated a small exploration business using Yellowknife as my base.

Because of my job I have travelled extensively across the Territories and spent a great deal of time in the field. The scale of operations that I am involved in is very small indeed compared to the proposed pipeline. However, I can see how situations I have run into can be extrapolated into the nature of this Inquiry. Sir, if I may, rather than

argue individual points of ecology or engineering, politics or economics, I would like to make some comments on the project or on any project the size of the pipeline.

Because of my profession in trying to find mines, it is obvious I am for development, but a very well organized careful development, and I would like to stress the term "organized". I chose to work in the far north because Canada's southern regions, I got tired of tripping over tin cans at every campsite, shot at by every idiot who thought he was a hunter, and unable to find areas void the scars of past mistakes. There is no reason why with today's knowledge we cannot develop our resources and do it with a minimum of ecological and social damage, yet still utilize the advantages of such resources. To do so, however, we must do extensive research, very careful planning, and do the work in a very professional, orderly way.

However, I am afraid our track record in the north is not that good. We often rush in, not knowing what we are doing, with little and regard to the land and its people, and forgetting what we have learned in the past. I would like to point to the James Bay project, the Canol Road, the northern settlement programs, and our current government setup in the north as examples. It is comforting that the company representatives give us assurances that this project will do a minimum of damage. However, a project of this nature would involve contractors,

subcontractors, sub-sub-contractors, and a great many associated service companies. It has been my experience that such a mass of people, camps and equipment do a great deal of damage, especially if the project is a rush one. There will be some companies formed for the sole purpose of getting a piece of the action. Unexperienced in the north, they will rush in and make a buck and get out. After the fact, it is difficult to undo the damage or to prosecute them, for how do you prosecute a company that no longer exists?

Major staking rush-ins in my business have always attracted a number of fly-by-night outfits, and I would assume that the pipeline would do similar. Even companies with reasonably good reputations often have personnel who know the ropes. If you have supplies you no longer need and have to get rid of, just find a deep lake. Animals are shot just because they are there, they take the skins to Boudway. Anyone who has worked any length of time in the bush knows of many such practices. It's very hard to prove and harder to prosecute.

These may seem like small points, but they are indications of what goes on. Without good regulations and inspection of camps, the work lone, etc., I fear the worst.

Now for some of the social issues, I worked in Norman Wells a few years ago. There were a lot of companies doing construction and oil work up and down the Mackenzie Valley. The town itself could be divided into two classes: Those who dumped, and

those who picked up. By this I mean there were companies and agencies who for bookkeeping reasons, convenience, and to keep their budgets, threw out everything from furniture to surplus food to building materials. Freight rates were high in that town, and at that time there was no store. So others went to the dump regularly to salvage what they could before the evidence was burned. In a harsh environment such as ours, this practice may seem incredible, but it is all too common. The haves and the have-nots. The useless waste and the scrounging to make a living is a northern dilemma.

Another common situation which seems more common, the larger the job, is the practice of doing all the hiring in the south. Men are flown up to the jobsites, work so many days, and then are flown out for holidays. No attempt is made to hire or train northerners.

One other point I would like to make about the hiring practices is that the north is one area where practical experience should still count, but it is all too often overlooked. Too often southern outfits come into the areas with green men, they go out into the field, making very costly mistakes, and often endangering the men. A northerner who tries to get a job with some of these groups will find he does not fit the job classifications. He isn't paid for what he knows, and he often isn't even asked.

A project the size of the pipeline would need a lot of skilled bush people, but

I'm afraid this won't be recognized until it is too late.

What I have been trying to show is that a good set of rules, regulations and guidelines has to be drawn up for a project of this nature. I do not mean to imply that there are not good, reputable companies concerned with the north. After all, I like to think my business is one. But it is wrong to expect any given profession to complete police itself and set its own guidelines. Naturally this is a major problem in the north. The companies are asked to not only prove their expertise in their own business, but to prove the effects on everything from people to caribou of that business.

This is why I feel that this Inquiry is important, for maybe finally a policy and set of rules will be set up. The government is and must be responsible for such regulations and in enforcing them.

Now I get to take a few swings at the government. Quoting many people, some of my best friends are Civil Servants, but I dislike the government.

My first complaint is that there are too many governments and departments in on the act. They all want to set up their own regulation do their own policing, have their own fact-finding missions, and do their own research. To do a simple job, one must obtain a number of permits, follow several different sets of rules which often overlap or even

conflict, and be inspected by several different people. Such a system is difficult for small jobs. For something the nature of the pipeline it is unworkable.

My fear is that there won't be much inspection, or that every department under the sun will go forth and multiply, creating utter confusion and still not get the job done. I would suggest the formation of one department responsible in enforcing one encompassing set of regulations. I do not mean to expand the government, as taxes are high enough; but to re-organize things and make them efficient. Certainly we need departments dealing with specific fields and doing research. It is now at a chaotic point. To use an analogy, it is as if we had a Police Force for every type of crime committed. One major crime would thus involve contact with several various departments, several police at the scene, and none of them working together.

The creation of such a single department could also be beneficial in m any other ways, mainly in correlating the field activities of all the other departments. As it is now, several departments will be working in the same area, and being inspected by each other, and wasting a pile of money.

Next, the government people who do go into the bush should be trained in the ways of the bush. Some inspectors are good, but others are plain green-horns. An example, looking for a diamond drill, expecting to find an oil well; taking effluent

from a drill thinking it is a camp sewer outlet; getting worked up over cat roads, unable to recognize old cat roads; and walking over blasting caps and not knowing what they are. It's a wonder we don't lose more inspectors that way.

Now as to the regulations themselves. All too often they are drafted up by southerners, experts who have never been in the field never faced the northern problems, or the complexities. The rules are overly complicated, unworkable, and unenforceable. Many fall into the category of doing little good. If I may use another analogy. If the regulations said that everyone in Canada should drive exactly 30 miles an hour on every road, this, of course, would be unworkable. Yet we are given all encompassing rules covering the entire Northwest as if Territories. Through all of this it seems/the purpose behind the regulations is forgotten. Instead the letter of the regulations becomes all-important.

Certainly it is a difficult task to draw up adequate workable laws. But if the government would come to business and say, "O.K., fellows, there's a problem," then maybe we could sit down and work something out that was useful.

Every year the north is faced with an onslaught of fact-finding missions, researchers, and assorted government personnel. Yet during almost every Inquiry of this nature we are told by the experts that not enough is known. I put it to the government that a great deal is known, it has just never been

collected. A great source of information is being ignored. I am speaking of the hundreds of people who live and work in the bush.

Now just to use an example what I mean, if we take the weather. Most bush camps --

THE COMMISSIONER: If we take the what?

A If we take a look at the weather situation.

Q Yes.

A Most bush camps have 2-way radios by which they report to private individuals in town every day. As a matter of course we report the visual weather in case any planes are trying to get into our camps. Why doesn't the government set up systems where we are given portable weather stations and' then they collect all this data? It would certainly give a much better weather picture than the current few weather stations.

Another example is wildlife. I know most of the animals that I see, I can count and I can record this. Wouldn't all this data from all people in the bush like myself give a much better picture of the wildlife, its patterns, etc., than is currently available? At present no one is collecting this data. Why not set up an organization to do so? I do not mean that everyone in the bush be forced to spend hours filling out paper work and taking records. The government money could be spent much more wisely to pay people to do this as a sideline to their other

occupations, than let us say sending people out to collect muskox wool in the tundra. Anyone who had ever worked on the tundra could have told you how that project was going to fare.

In all seriousness, if the government wants various types of information, there are hundreds of people in the field experiencing that information every day. But currently it just stays in their heads, there is no one to report this to.

There are a great many changes I would like to see in the north. Most are of such a scale that means the government must implement them. An of this example of this would be if you want a more stable working force in the north, why not set up a system of radio schools such as they have in Australia? This would allow families to live in the bush rather than having their children kidnapped for school.

THE COMMISSIONER: Excuse me, what did you say about radio schools?

A The radio school system they have in Australia.

Q Oh.

A I feel that it is time that Canada sat down and decided what it wants, and we must settle ft land claims, decide what we want to do with our most precious resource -- the land -- decide if and where we want to develop our other resources, and how much we are willing to sacrifice to protect the ecology.

The current situation of on-

again off-again development is just not good enough. The pipeline is an important issue, but it is just a part of the larger issues, namely our country.

In conclusion and to summarize what I've been trying to say,

(1) We must decide on our policies for the north.

(2) I feel that the current government setup is not geared properly to oversee such policies.

(3) I feel a great source of information on the north is being ignored, mainly the people who live there.

(4) I think we should learn from the past mistakes, making sure we know what we are doing. In other words, go slow.

(5) This is not the best of all possible worlds, so we do need rules and regulations; but they must be flexible for it is the intent behind them which is important.

I'd like to thank you for this opportunity to air my views.

THE COMMISSIONER: Thank you very much, Mr. Humphreys, for --

(APPLAUSE)

-- thank you for a batch of very interesting and worthwhile ideas that we will explore. Maybe you would leave your statement with us so it can be marked as an exhibit.

A I don't think you would be able to read my writing.

THE COMMISSIONER: Well, I guess not. Thanks anyway.

(WITNESS ASIDE)

FRED HENNE sworn:

THE WITNESS: Justice Berger, ladies and gentlemen, my name is Fred Henne. I am a resident of Yellowknife for some 28 years. I am president o€ the Yellowknife Chamber of Commerce and I'm also a local business man in the community, having been in business since 1949, about 26 years.

I don't particularly speak as the president of the Canadian Chamber of Commerce this evening because we don't have a prepared brief, but I wish to talk to you as a representative of the Chamber of Commerce and the local business people as well as a local business man with the years of experience I've had in the country.

I would like to preface my remarks by saying that as a business man and as president of the Chamber of Commerce, in both fields we support the building of a pipeline or pipelines to bring energy from the north to the rest of Canada. It is my feeling that this type of energy is one of the things that we have been living with for a considerable number of years and I don't think that we are readily going to be able to change our way of life without this type of energy.

I am sure that we will have to change our way of life or change our form of energy before we go into maybe another decade or two decades or three decades. But realizing that this form of energy

has only been with us for a very short period of time in the history of the world, and it. may only be with us for another short period of time, man through the years has been able to cope with the elements and has been able to find sources of energy to sustain his way of life.

But today the very most important thing that we have to recognize, I think, is the fact that we have this source of energy, we're geared to this source of energy, in so many, many ways-- our homes are heated with this source of energy in the main, our automobiles are powered with this type of energy, our factories are powered with this type of energy, our clothing was built with the things that come off this type of energy or this resource, and it's a very, very integral part of our whole way of life. Suffice to say we must continue to seek this resource to its fullest throughout the world, particularly in Canada, and suffice to say that we will have to live with this as long as we can until we re able to develop other ways of providing energy.

I'm primarily interested in the success of business in the north, the progress of business in the north, because business to my way of thinking, whichever category you want to put it into, is a thing which provides opportunity for employment for people, and provides the means through which people can sustain a way of life. We need, as I heard yesterday, so very expertly expressed by one of our local citizens, "the good life". We're all looking for it, and we have

to do this through an organized process of business, jobs, labor management, the whole kit and kaboodle, f you want to call it that

But particularly in the north those of us who have been here for a number of years and particularly those peoples who are native to this country realize the ruggedness of this country and the social and cultural problems that we have. There are many social problems. There are many cultural problems. I think we all want to get the best in a social sense, and I think we all want to get the best in a cultural sense. I've had the opportunity of looking at some 28 years of development in this northern country, and I can't only talk about Yellowknife, but I have been fortunate enough to have been able to travel throughout the greater part of the north. I have seen peoples on the Arctic coast, on the eastern coast, and throughout this Territory.

One of the things that concerns me very greatly is that when I first came into this country we were looking at a sort of a residue which as left by wartime. You know, wartime came along and the U.S. came in, and they poured millions of dollars into this country to build a CANOL pipeline to the west coast. It got as far as Whitehorse. I think they pumped a few thousand gallons through it, and what happened? I have never to this day -- and I can honestly say this -- I have never to this day heard anybody say that that millions of dollars that was spent on the CANOL project did anything to hurt the ecology in

the north building a pipeline, which was only a 6-inch or 8-inch pipeline in those days; and yet that money was spent, we had the social problems, we had the cultural problems. They were tantamount to that whole thing which happened because of war.

Nobody seemed to worry about the ecology at that particular time, certainly the government didn't worry about it. The Government of Canada allowed the U.S. to come in and plop those dollars in here, and there was people who made plenty on that thing. Was there any real damage done? I honestly -- I've travelled between here and the Yukon, I've been to Norman Wells, I've looked at the relics of the buildings that are there, and they're historical sites now. I've looked at the relics of the pipeline, I've looked at the residue of the roads that were left and I don't see any real damage to the ecology of this country; and I haven't heard anybody complain about the damage that was done by the CANOL project.

But you know, we're talking about ecology today. Is there a .parallel or isn't there a parallel? I think that's something that will have to be decided, something we'll have to think about. But the waste that took place, the millions of dollars of caterpillar tractors,' office equipment, buildings, I could name, I think, thousands of things that were poured into that project that were bulldozed into the ground and buried, and they're still buried there. Some of them -- a few things were taken out but a tremendous, tremendous waste. Wartime. But ecology?

What happened to ecology? Think about it.

What happened after that? Shortly after that we had the Dew Line. Millions of dollars were spent on the Dew Line. I'm not saying the Dew Line wasn't necessary. I'm not saying that this wasn't something that we needed for our own particular protection because of what happened in the cold war and all that kind of thing. But the millions and millions of dollars that were spent by the U.S. again, the people that came in to build that Dew Line, to operate that Dew Line, to maintain that Dew Line, and before it was built 50% of it was obsolete, and today there is very little left except a few stations across the north, and they are actually obsolete as far as their actual, you know, original intent.

But I point this out for the purpose of saying, who worried about ecology when that was being built? Nobody worried about ecology. Nobody said we were going to ruin the ice. Nobody said we were going to ruin the seals. Nobody said we were going to kill the bears. Nobody said we were going to kill the caribou. None of these things happened. But yet there was billions of dollars spent on the Dew Line and billions of dollars wasted on the Dew Line. Again something connected with war.

O.K., if we have to spend that kind of money and that kind of effort for the protection of our lives, if that is the situation, then maybe there is a reason for it. But I think at the same time that we're doing this kind of thing that we must

recognize what took place, and I think we must appreciate the fact that today -- and I want to suggest that today we hear very little about the disturbance of the caribou or the bear or the ducks or the geese or the fish or anything else that took place, and yet it happened. Who benefitted? Who really benefitted? You know, if we'd have had a confrontation, maybe it was necessary but we didn't have it, and maybe that's not the way to draw the parallel. But nevertheless the thing is that there were a lot of big moneyed people who did benefit through some of these two projects which I mentioned.

That's one of the things that scares me a little bit. Maybe we needed it for our protection, I'm not here to say that we didn't. But I want this as a thought. What did government do? Did government set up a Commission like we have today to determine whether we needed a CANOL Pipeline project? No. Wartime. No Commission. Did government set up a Commission to determine whether we needed a Dew Line to be operated and run by the United States where U.S. people came in and took twice the wages that Canadian boys that went up there to work got? No, no Commission. Unilateral decision by the government to do these things or allow these things to be done in our country.

Let's take something a little bit closer to home. Let's look what happened to Inuvik. You know, the people in the north didn't make the decision to move from Aklavik to Inuvik. The

government of our country decided that Aklavik was a place that couldn't exist any more, it was sinking into the ground, it was going to be gone and they had to move it from Aklavik to Inuvik, so they built a complete new city or community, they spent millions of dollars, and that kind of thing. Not that it maybe wasn't required, maybe it was a good thing for the people of the north; but the thing is it was done in a very unilateral fashion. It wasn't done through a consensus of opinion of the people of the north. I am trying to bring out these ideas that here we have these kind of things happen.

Today we're looking at a pipeline or pipelines for the purpose of transporting energy from the northern region of our country to the rest of our country, or to other countries. In my opinion, the pipeline is the only plausible, sensible, economical way that energy can be transported. We're not going to be able to transport it by ships without a tremendous cost, or railroad without a tremendous cost, or any other way. The only way it can be transported is by pipeline.

I am satisfied with the reading I've done on the research that has been compiled by the numbers and numbers of people, including government, on the building of a pipeline that the pipeline can be built without disturbing the ecology of this country or hurting anybody. It won't do as much damage as nature itself has done over the years, nor will it do as much damage as possibly what happened through the Dew

Line construction or CANOL Pipeline construction. But the fact remains that pipeline is the only way that that energy can be brought out to supply the needs of the people of this country, or if we have surpluses, to other countries in an economical way.

Today we're all concerned about inflation, tremendous costs and everything else. This is a necessity. This is something we have to have, this energy. Today I think the energy of the world is possibly good for another 100 years. Who is to say it isn't good for less than 100 years? Who is to say what resources lie in the North Slopes of this continent, in the Arctic regions? Nobody really knows. We haven't begun to scratch the surface as far as other resources are concerned, and we've been in the field of hydrocarbon energy for a very, very short time, to discover what the resources are in the whole vast northern regions of this country.

I believe that this is a very prime necessity. If we have 100 years of resources left, surely today the people that are living in our country today are entitled to share in those resources, and surely we in the north are entitled to get our share of those resources. Local business, local labor, local peoples, native peoples, and I don't want to draw any differentiation between natives and whites. The people in the north, if we're white or we're native we're here because we like the country, or we are trying to make a living here, or we think there's something here for us. We're entitled to a livelihood, we're

entitled to the benefits that exist in our country, and if we're going to have these things certainly we have to be able to do this through a work force that's able to work through industry, which is able to provide jobs, through business which is able to manage jobs, and we have to have those resources developed that we have. Hydrocarbon isn't the only resource, There are lots of others, I think.

The whole world needs energy today. We're experiencing today a very tremendous increase in the cost of living because of a so-called energy shortage, and because the Arabic countries or the Asian countries have a good supply of energy -- whappo, the price went up and we're paying, you know, basically that's the whole thing. Are we going to allow this to continue or are we going to develop our resource and take advantage of our resources to be: self-sufficient in our own country? The world needs energy. We need it. The pipeline's a necessity.

However, this can't just happen without people being involved, and I can appreciate the fact that today our government has seen fit to hear from the people who live in the north. This is one of the few times -- this is one of the first times in the 28 years that I've been here that we've really had an opportunity to express our opinions, or our thoughts about the problems that we have in the north. I hope that we have more of them, and I hope that government listens. I'm sure you are, sir, and I'm hopeful that your report is going to be meaningful to the people of this

country and the rest of Canada.

However, this has to be a bilateral situation. This has to be a complete situation where the peoples of the north are able to participate. For the peoples of the north to be able to participate in this development there has to be local authority. Today local authority is very, very minimal. You know, it's sad to say, but the north is still a colony. We're no different today than the colonies of Africa that were governed by Great Britain 50-75-100 years ago, and even as long as 20 years ago, in principle. There may be a few different applications, but the principles are still the same. This is one of the things that bothers me greatly, is that the voice of the people has been a long time being heard in the north. WE need local authority. Not only do we need local authority, but we need to provide for the dignity of man in this country, particularly the dignity of the native peoples as their life relates to the onslaught of the so-called whites that have come in and the desecration that has occurred over the many, many years. There's only one way, as far as I'm concerned, that we can do that, and that is we have to get together. We have to be a united peoples, and the only way that we can really be united is that we in a body or on an overall structure are able to determine our own destiny, and what I'm basically trying to say is that we have to have provincial status or local authority whereby we can all sit down to a table as equals. The native peoples who have been here for many years, the whites who have been here for many

years, if you want to put them in those categories, have to be able to sit down around a table but we have to do it in our own locality, in our own government. We don't need the dictates of foreign government -- and I don't want to call Ottawa foreign government, but it's removed from the Territories and it has that sort of connotation.

I think that this is a very tantamount thing as far as we are concerned. We need self-determination. We need self-government. We need equal rights. We want to have equal opportunity, and I'm talking about the people of the north. We want to protect our ecology, if that is a necessity. We want to protect our way of life. We want to be able to work and we want dignity. I think that to do that we have to. forget any differences, we have to work for a common goal and that is to develop our energies, to get together. The pipeline's a necessity and I think we should get on with it. Thank you.

THE COMMISSIONER: Thank you very much, Mr. Henne, for giving us the benefit of your many years of experience with life here in the north. Thank you very much.

(WITNESS ASIDE)

ED McRAE sworn:

THE WITNESS: My name is Ed McRae and I'm a staff representative for the Steel Workers Union in the Northwest Territories.

Mr. Commissioner, I am very

pleased to have this opportunity to appear before you in this very relaxed and informal manner to express my views on the proposed Mackenzie Valley Pipeline. I wish to state at the outset that I am relatively new to the Territories, having come here in may as a staff representative for United Steel Workers of America. I wish to point out, though, that though I am relatively new to the Territories, I am certainly not new to the north, having lived in Thompson, Manitoba, almost 12 years.

Now some people here might consider that south, but the Province of Manitoba Thompson is considered north. Some people in the audience might be thinking why am I talking about Thompson? When I first moved to Thompson I went there to make lots of money fast and get out. But the long and the short of it is that I fell in love with the north and the way of life. I love smaller, closer and easy-going communities. I am talking about communities where everyone knows everyone, where people stop to talk to friends and acquaintances on the street, and where people pitch in to help each other.

I find this feeling exists in every community in the Territories that I have visited. t would hate to see this situation deteriorate or disappear as 'in the majority of southern centres. The significance of the land to the native people is rarely understood by outsiders. The prevalent attitude is that the value the land had can somehow be bought with money, jobs, or other worldly goods. Nothing could be further

from the truth.

Some native people and indeed some of us white people depend upon the land for all or part of their income, and for all or part of their food. Anything that would except the ecology of the land or damage the delicate balance of nature can do nothing but inflict hardship on the people who depend on the land.

This proposed Mackenzie Valley Pipeline is no ordinary development. I realize that environmental impact studies have been made, but I am not sure in my own mind that the results are clear. I am firmly convinced that the environmental damage will be significant. This damage will be borne I by the residents of the Territories and especially by the native people.

Furthermore, some of the damage will occur in areas the native peoples are claiming. Representatives of the native groups and individuals have already testified before you, Mr. Berger, that the construction of a pipeline during negotiation of these claims would prejudice their case. To make any decision about pipeline while these land claims are still unsettled would be both grossly unjust and incomprehensible I sincerely believe that no pipeline rights should be granted until the environmental impact has been thoroughly assessed, the means of mitigating that impact has been decided, and until the land claims have been settled to the satisfaction of the native people.

Another factor that many other people and myself are concerned about is the prospect that the largest development project in this country's history is going to be taken by private interests on a take-it or leave-it basis. People are tired of these blackmail tactics used by these large corporations. Foothills' biggest claim for itself seems to be that this country -- this company would build a smaller line over a longer period of time and that they are Canadian. Corporations have no patriotic allegiance. So-called Canadian companies such as Massey-Ferguson, Sun Life, Inco, Cominco, Falconbridge, and Alcan, have extensive investments in foreign countries. At a recent International Conference of our union held in Trail, the president of the Steel Workers Local 843 which represents workers of Cominco, at Garrison, Montana, said, "Working for a Canadian corporation isn't much better than working for an American one. Maybe the Americans learned it first, but we Canadians can certainly tell them some stories."

Noranda, for instance, advertises in expensive television commercials that, "We live here." It didn't make any difference to the Steel Workers at Canadian Copper Refineries, a Noranda subsidiary in Montreal in January 3rd of this year when two workers were killed by poisonous arsene gas at the plant; or that Canadian Electric Zinc in Valleyfield, Quebec a few months later when two more workers were killed at another Noranda plant.

Being Canadian hasn't mattered

much to dozens of other corporations that are systematically high-grading capital out of this country in search of cheap resources to turn into quick profits. Being a Canadian corporation doesn't impress me one iota.

Just what will the pipeline companies provide for the people of the north? I know what the mining companies have or have not done in the north, or in isolated centres with the he of affectionate governments.

Life in the north is an endurance contest for most families. At a recent conference I attended where steel workers from the northern part of the country were present, I heard some pretty astonishing things. In one town, life is totally dominated by the employer -- a multi-national diversified company; it happens to be an American-based multi-national, but it makes it no worse or certainly no better than Canadian-based Cominco, or British-owned Rio-Tainto. The company owns one-third of the houses. The hydro company. The phone company. The only railroad out of town. There are only two doctors. The cost of living is terribly high. There is a serious shortage of homes. There is no daily newspaper, local radio, or T.V. station. The telephone system is often disrupted by the weather. But winter can be beautiful. The snow conceals ore dust that covers the town in summer. Single workers live in bunk-houses with virtually no privacy. This is a description of Sheppardville, Quebec, a town controlled by the Iron Ore

Company of Canada. This story is true to varying degrees all over the north and in isolated communities.

In Grand Val, B.C., there is no doctor. In Snow Lake, Manitoba there is no surgical facility. In El Dorado, Saskatchewan, there is no movie theatre. Grande Cache, Alberta, there is no dentist. Cassiar, B.C., there is no adult education available. In Pine Point children are bussed 120 miles a day to Hay River to finish secondary school. In Elsa in the Yukon, beer is $6.00 per dozen. I end this varied summary with beer because after all it's the simple things that the people of the north want. It isn't paradise they're after. It's a doctor, or a dentist, or a chance to go to school, or read a newspaper about their town, or see a movie, or live in a decent home, or feel some measure of security and safety on the job.

Like most resource-based towns in the north, millions of dollars have been made for the shareholders of a few corporations, but not much has been returned to the communities in northern areas. It has been estimated by the Research Department of the Steel Workers union that half a billion dollars a year in profits come out of the north. Very little of it comes back to the north in wages, decent housing, community improvements, or taxes.

It seems to me that the people of the Territories will be faced with a similar problem if a decision to build the pipeline is made. Both Arctic Gas and foothills have not made any

commitments to return any portion of their profits to the people of the Territories. It seems all the benefits will accrue to the people of Southern Canada and United States, while the people. of the Territories will have all the problems.

Although some benefits could probably be mentioned, there will be staggering social costs involved that I am certain, have been completely excluded from the decision-making process by both of these promoters.

The entire question of when and how to exploit resources involves a very complicate set of trade-offs. It is just beyond belief to me that is single action of a pipeline should even be considered on an all or nothing basis without a thorough evaluation of all the options and of all the possible benefits and costs both economic and social. The Canadian public interest as well as the interests of the people of the Northwest Territories, cannot be properly met by granting pipeline rights at this time. The social implications of this project are so immense that it is clear to me that a project of this magnitude can only be properly undertaken under public control.

The Canadian public cannot and must not be blackmailed by a thread of an alleged energy crisis, into believing that the pipeline as proposed is an all or nothing proposition. The question is not whether the gas should be utilized or not, but rather when and how development should take place and under whose authority such development should occur.

I wish to state most emphatically that I am opposed to a pipeline in the Mackenzie Valley until:

(1) all the land claims are settled to the satisfaction of the native people;

(2) the environmental impact has been thoroughly assessed;

(3) the means of mitigating the impact has been decided and proved;

(4) there is a demonstrated need to develop this resource;

(5) the people of the region decide that they do indeed desire this project;

(6) the project is brought under public control and out of the hands of private promoters.

I wish to thank you, Mr. Berger, for listening and to say in closing that the people in the Territories are counting on you to help them stop this project. As I understand the terms of reference of the Inquiry, I believe that you don't have this authority. I would only hope that someone somewhere could put a halt to this project before we hear the argument that the project has gone too far to be stopped. I am convinced in my own mind that the Liberal Government has their mind made up that there is going to be a pipeline, and that we are only going through an exercise here. I hope that I am wrong and there is a chance the project can be stopped until all the social, environmental and economic problems of developing the Mackenzie resources are solved.

Once again, thank you for this opportunity to present my views.

THE COMMISSIONER: Thank you very much, Mr. McRae, and thank you for turning in a copy of your brief. I appreciate your contribution very much, sir.

(SUBMISSION BY ED McRAE MARKED EXHIBIT C-229)

(WITNESS ASIDE)

MAYOR ROBERT FINDLAY resumed:

THE WITNESS: Good evening.

Mr. Berger. My name, as you know, is Bob Findlay, but I should like recognized that I'm speaking for myself this evening in what follows, not on behalf of any group or organization.

At the outset I would like to emphatically state that I am pro-properly controlled development. Having stated my position, may I say that I would like to see situations and conditions remain as is. We're comfortable with them, and many of us don't like change. Having moved from community to community as a child, I remember going back to a community I hadn't lived in for five years and was very disappointed because it had changed. But being a realist, I know this cannot be. Change is inevitable.

Having accepted this as a fact, I am convinced by the sheer volume of the research which has and will be carried out by the various concerned parties, that all available sources and efforts will be instituted to minimize the adverse

effect, the adverse impact on the land, the people, the wildlife, and this community, while maximizing beneficial effects.

Having said this, I would like to address the remainder of my remarks to my view of the effects of development on this particular community. It appears to me it will strengthen our position as an administrative centre. The predictions which have come to my hand state that increased population of some five to 7,000 will be in effect. These basically will be government, oil, administrative personnel, and of course the support service industries required.

Although this will enlarge our community, it will not basically change it. It could very conceivably bring the day of self-determination closer, the day when Yellowknife is named the newest provincial capital. That day means we will then hopefully carry ourselves in the north, not depend and rely on our brothers and sisters in the south. That day I look forward to.

I thank you, sir, and support your concern on our behalf.

THE COMMISSIONER: Thank you very much, Mayor Findlay.

(WITNESS ASIDE)

THE COMMISSIONER: Well, ladies and gentlemen, I think that it might be a good idea if we just stopped now for a few minutes for coffee. We'll just stretch our legs and have a cup of coffee and then anyone else who wishes to speak or to ask a question

may do so after coffee. So we'll just adjourn for a moment now.

(PROCEEDINGS ADJOURNED AT 9:30 P.M.)

(PROCEEDINGS RESUMED AT 9:55 P.M.)

THE COMMISSIONER: Ladies and gentlemen, we'll call our meeting to order again.

Maybe I should just tell you -- I did this last night but it might be helpful to those of you who weren't here last night -- I told those that were here last night that in the past when somebody wanted to build a pipeline in Canada, they went to the National Energy Board in Ottawa and they said, "We want to build a pipeline. Will you let us go ahead and do it?"

The National Energy Board would consider such things as -- well, how much is there, who are the people who want the gas, how much will it cost to transport it, will there be a surplus that we can export to the United States, and so on.

Well, these two pipeline companies, Arctic Gas and Foothills, they have to go to the National Energy Board and fight it out over those questions, how much gas is there, where is it needed, how badly is it heeded, what will it cost to transport it, what should the rate of return on their investment be, should any of it be exported to the United States? All of those questions will have to be fought out before the National Energy Board; but what the Government of Canada did in this instance was

this, the Government of Canada said, "This pipeline, if it is built, will have a fundamental impact on the north and the people that live there, so before we go ahead we will establish an Inquiry to report to us and to tell us what the impact is likely to be -the social impact, the economic impact, and the environmental impact -- and then we will have the report of the Inquiry, which will tell us what's likely to happen in the north if we let the pipeline go ahead; at the same time we'll have a report from the National Energy Board that will tell us how much gas there is, where the markets are, how badly it is needed in the south, do we have to build a pipeline?"

In the final analysis it is the Government of Canada that will decide whether a pipeline is going to be built, and it is the Government of Canada that will decide who is going to build it. That is the way it ought to be in a democracy, the people that have been elected to govern us, to make those decisions are the people that ought to make them, and they are the people that will make them in this case.

My job is to report to the government on what the effect will be on the environment, on the communities, the towns and the villages throughout the north, the impact on the economy of the north, and the impact on the people, native and white.

Then I have to make recommendations to the government regarding the terms and conditions that should be imposed upon the pipeline if it is allowed to go ahead.

Mr. McRae said he believed that the government in Ottawa had already decided that It was going to go ahead with the pipeline. The Minister of Finance, Mr. McDonald, then Minister of Energy, said in the House earlier this year that he government had not decided whether a pipeline should be built or not, and that the government intended :o wait until it received my report and the report of he National Energy Board before it decided whether pipeline should be built or not.

So that's the basis on which he Inquiry is proceeding.

Well, is there anyone else who would like to say anything or ask a question?
Yes sir.

EVERETT CASTILLE sworn:

THE WITNESS: Well, Mr. Berger, you stated in the paper that -

THE COMMISSIONER: Oh, could you give me your name first?

A Oh, I'm sorry. My ante is Everett Castille. I'm a native of Holland, moved up with my family and immigrated in 1951 and settled in Edmonton and eight years ago came to Yellowknife, to start a small business, a body shop.

In the local paper it said that you were after the more or less average joe to talk informally, and I didn't realize it was quite as formal as it really is.

Although as a business man I'm fairly concerned about the manpower shortage that we or may -- well, probably will hay e with regards to the pipeline, I'm thinking of the manpower that may be leaving for higher wages or whatever it may be. We therefore may not be able to get our tradesmen and in that respect I'm kind of holding off on development, and I imagine there's other business men the same way, development of our own source of business expansion.

We have a problem down here along with all the other business men pretty well, to get tradesmen. I have a difficult time getting tradesmen for auto body mechanics, in my case, and have a constant enquiry with Manpower trying to get them.

This, I can foresee if I do expand, the business is here if I do expand my business I can see the problems with employees that I may not be able to carry the load if an when ,I do proceed with building a business. On the other aspect it's the extra business that may come on with the building of the pipeline and the increased productivity that it bring to the city, the work.

The other thing I was thinking of is the union. The union labor within the pipeline compared to local labor, you see the thing what I have heard said about the railroad that was built, the one to Pine Point, is where they trained Indians and Eskimos for the railway as engineers and as linesmen. People that are, you know -- the government trained them into trades, and once this pipeline was established the

railroad was established to Pine Point the unions have stepped in and said, "No, our men are going in." This is the one thing that I would really put a lot of emphasis on, that this, you know, if it is a northern pipeline that northern people are in the majority involved in, are to be a part of it as much as possible at least anyway.

The social aspects of this city, the law enforcement that we may need increase for, this is just with the increase in a city that I'm kind of concerned about the problems that we may have, may foresee with the influx of people, and the social problems that we may have down here. Like for instance, we would probably have a better policing of law enforcement and, you know, there's a drinking problem. You know these type of things that will build up and how it is going to be here.

Then the last thing, the last point that I had was the timing of the project. Now we have heard stories before that the timing is -- of else pipeline should be stopped until land settlement is made. There's 101 different things that we should be concerned about before this pipeline goes on.

Now to my way of thinking if we stop this to settle for the land settlement -- and I'm not against this in any way -- I feel that we could stop it long enough that with the increased productivity that Prudhoe Bay is putting in El Paso, a firm in Prudhoe Bay is pulling on this same resource, that with increased technology the U.S. may be putting into this

aspect is that they -- well in plain words they nay suck us dry. You know, this type of thing, and we won't have to worry about a pipeline any more on the Mackenzie Delta. It has been said that, you know, there may not be enough resources for the U.S.

These are a few of the things :hat, you know, a lot of this is hearsay and I don't now how to go about it. This is a first for, well, E imagine everybody, and it's probably bigger than I an imagine, the whole project.

So I think maybe with these few notes I'll just leave it at that.

THE COMMISSIONER: Just before you go, you raised some excellent points and we are thinking about them. One point you raised is that as business man you are concerned that if a pipeline were built, the wage rates on the pipeline would be so high that people you might get to work for you would go and work on the pipeline instead, that's a problem, and we have been studying the experience in Alaska to see what can be done about that. We had Mr. Horte, the president of Arctic Gas, as a witness and we asked him about it, and he said he felt that you had to pay the rage rates that were expected in pipeline construction to get the job done.

In Alaska it isn't so much the rage rates, it is the overtime which is a time and a half and double time that results in these very high rates of remuneration. We had a magistrate from Alaska come forward as a witness when we were sitting in

Whitehorse, and he gave us some figures from the pipeline construction. The lowest paid person in the camps in Alaska is the camp attendant, the chambermaid, whatever you want to call her, and a typical monthly cheque for a chambermaid is $2,200 after taxes, and the rates go up from there.

That's the kind of problem that you're concerned about and so am I. We had a witness from the Foothills Company, Mr. -- gosh, I've forgotten his name -what was the name? No, the man that worked on the pipeline in Austria.

A VOICE: Mr. Bauer.

THE COMMISSIONER: Mr. Bauer, who said they were building a pipeline up from Trieste in the Adriatic to Vienna or some place, I've forgotten He worked on it and he said they started off trying to keep the wage rates down and employing people at wages that were comparable to what they were getting in the locality, doing all the things that we've been urged to do, and he said they couldn't get it built. They had to bend on that program and pay the high wage rates to get the pipeliners in to do the work. That's by no means the whole story, but we've been looking into the problem and it is a problem, and we're scratching our heads to see if we can come up with some solutions and so are Arctic Gas and Foothills because their policy is to see that northerners are employed to the greatest extent, and to see that there is minimal disruption to business. There's another point you raised that is interesting. You said you didn't

1 realize this hearing tonight would be as formal as it
2 is. The order-in-council establishing the Inquiry says
3 that we have to hold the hearings in public, that means
4 that I can't go to anybody's home and sit down in his
5 living room and hear what he's got to say. It has to
6 be said in public. It also has to be taken down. The
7 order-in-council says it has to be taken down and a
8 transcript has to be typed up, and if you're going to
9 have a good turnout from the community, as we have had
10 this evening, then we have to hire a hall.
11 So we do the best we can, but
12 I'm glad that you decided to speak up anyway, and I want
13 to thank you very much for your contribution.
14 (WITNESS ASIDE)
15
16 BILL WATSON sworn:
17 THE WITNESS: Mr. Berger, I
18 think I'd like to begin what I have to say tonight --
19 THE COMMISSIONER: Could you
20 give me your name first?
21 A Oh, I'm sorry, Bill
22 Watson.
23 Q Thank you.
24 A -- by expressing my
25 appreciation for what's going on in this hall tonight,
26 and what has gone on in other settlements and towns in
27 the Northwest Territories over the last several months.
28 I think especially the
29 community hearings that have been held along the
30 proposed pipeline route have been especially important

and significant, and I personally am very encouraged to hear people speak out in these communities very strongly, and very personally, and I see it gathering strength and understanding in the communities and really for all of us from these hearings, and I really hope that this will be sort of as a quiet storm that's gathering at this time.

These seem to be talking times right now. There are a lot of people that are discussing, that are speaking out, and there are some that are listening. But I feel that this is a great luxury at this time that we have to be able to talk, and I think that our days are numbered when the talking must end and the action must begin.

Now if we look at the action that was proposed by Arctic Gas and Foothills for their pipeline, we see it as an exploitation of this so-called last frontier, and that is to bring the pipeline through this valley. But I think if we listen to the people, to the voices in many of the settlements along that route and to the people throughout this whole region whose lives I think have been intertwined with this land for centuries, if we listen to their voices and see what kind of action they are talking about, I think we will se the action of a new frontier in fact, a beginning of people development, and a new era for human beings.

I think it's very important that people ask themselves at this point where are these hearings taking us? Beyond just the words that are being

spoken, to what action, I think, is also a vital question at this time? I think this goes beyond the issues and the words. People, I think, must look into their hearts and minds and not just express opinions or take sides.

Now during my days that I have been in this land and seen the people how they live, and especially the effect of the outside influence and domination, it makes me very concerned about the future. We hear people discuss this pipeline in this Mackenzie Valley, whether or not we will build a pipeline and when it will be built, how it will be built, who it will be built by, but I think this really evades the issue. I think the real issue that confronts everyone at this time is what are we doing now and how are we going to live our lives on this earth at this time and in this place? How are we going to conduct ourselves as human beings?

I think it's also important to ask where we have been, where we are now, and where we are going, and to keep that in perspective. So I think it' s very important that every person look deeply at the reality that faces them in their everyday life, and then look at what life is coming in the future for ourselves and for those around us. Only then, I think, can we begin to talk about pipelines or other such developments.

I think it would be important right now if we reflect for a moment about this land and about the people of this land. It seems fairly

obvious from both written and oral history that the Mackenzie Valley has been the home of the Dene for thousands of years, they have lived in harmony with this land, and as trustees of this earth and the living things on it as given to them by the Great One who created all people, the Dene endured the good times and the bad times. But by living in harmony with this land and with nature they built a strong nation of strong people. They were well-educated in the ways of the world and of their lives.

But the Dene, the native people of this land, they walked gently on it. They were not spoilers or polluters. The had learned to give and to take from this land. Then we see more recently in written history the coming of the white man. He did not understand the land and he did not understand the people. He saw this land as an untamed wilderness, the wild north, and he saw the people as being ignorant, as being savages in some cases, and as generally being uncivilized. The white man lacked compassion for the north and for its people, and so he sought to tame and exploit the land and the people.

The people that came to this land in the north brought with them all the institutions and ways of their European ancestors. No one stopped to ask the people here, the Dene, if they wanted these new ways for their own life. Instead they were fed, forced, coerced into these ways, the ways of the white man, of religion, of his education, his medicines, his

laws, his government, his technology, they were all Laid on the people. While the people enjoyed some of the benefits from these things, they also suffered greatly from the results. Sickness and disease, poverty, welfare, poor housing, illiteracy, suicide and cultural disintegration were the stepping stones of the Dene into the society which has come to dominate every aspect of their lives.

Who would dare to deny the bleak reality that faces the native people of the north each and every day of their lives? In recent months and days we have heard many myths about this reality, this truth of people's lives. Somehow if we were to believe these myths, the native people have emerged from the terrible and fearful past, living hard and cruel lives on this land, and to a new and wonderful life as northerners in a great Canadian society. This seems to be the picture that has been painted.

But anyone who believes such myth surely lives in a dream world which has nothing to do with shame and oppression, or unemployment, or death rates, or being a stranger in one's own homeland.

Mr. Berger, it's in this light that I feel we must look at this pipeline proposal. We are told by Arctic Gas and Foothills and their advocates that they merely want to put a pipeline using small access of a few hundred feet through this land. It has been likened by some people to taking a piece of bread and laying it down the length of a football field.

ore recently I read what I felt was a more appropriate symbolic description of this pipeline. Instead of a football field it was said that we would have the painting of the Mona Lisa, and instead of a thread it was a scalpel that was run down the length of that painting.

I think if we look closely at the pattern of development in the whole Western World this time we will see that it's an illusion to think that the pipeline will be built and then the north will be left alone. Many people even tonight have spoken bout the opening of this new frontier, and the access and availability to all these new resources. We have heard the keen interest of southern developers to exploit minerals and other land resources, such as agricultural. e also have heard early rumblings of plans to exploit yen the waters of this country, of this area in particular, and to feed the ever-increasing demands, of agricultural demands, in particular of the southern areas. I suppose perhaps in the future we might have a hearing such as this to discuss a water pipeline proposal.

We have been told by certain residents of the Northwest Territories that northerners should be supporting this pipeline and we should all be scrambling for a piece of the action, a part of this good life. By and large this call seems to be coming from hose white southern Canadians who have dominated the Northwest Territories in its governments, in its institutions, in its businesses, and who at this point seem most likely to profit from a pipeline and any related development.

At this point I would like to quote from an article that reflects something that is happening right now at this moment in Alaska. I think we all know that the construction of the Alaska Pipeline is well under way; increasingly however we read and hear of reports of a social disaster among the native people of Alaska as a result of this pipeline, despite the fact that those people a few years ago received a land settlement.

I think this quote offers us a powerful example of the kind of future a pipeline would bring to this Mackenzie Valley region. This is taken from the "National Indian Law Library Journal Announcements," January to March, 1975, Volume 3, No. 1. The article is entitled, "The Fifth Disaster," and although it speaks of the struggle of the Inuit, I submit it also reflects the struggle of all native peoples of this area. I quote:

> "The Inuit, which means 'the people', have survived four disasters on the North Slope. They are now in the midst of the fifth, the American colonization of their homeland. Eskimo legends tell of disasters, some of which occurred thousands of years ago, others less than 60 years ago. The first disaster was the cold eclipse, a time when the moon covered the sun and the Eskimos' homeland turned from a very warm country to a frigid desert -- the Inuit, the animals, the birds and the plants froze. The legends say only four families survived.

The second disaster was the big flood which followed a series of terrifying earthquakes and turned the mountains into an icy plain, and all but a few Inuit drowned.

The third disaster came during the terrible year of two winters when the Inuit could not get food and died of starvation. During this third disaster, the terrible year of two winters, and other hard times, sacrifices were made to keep the Eskimo hunter strong. This was done because when food was scarce, if a hunter did not have the strength required to continue the hunt, then all was lost. All the people would die of starvation.

The fourth disaster came after the Inuits first contact with the white man, men who brought them the terrible sickness during the flu epidemic of 1918. After the fourth disaster of the terrible sickness in 1918, only a few villages on the North Slope remained intact. Most of the rest of the villages and camps-had lost all but a few individuals. The confusion, shame, and isolation felt by the few surviving Inuit after the flu epidemic were blurred by another gift of the white man, alcohol. This gift eased the message of the physical, mental, and social inferiority which was inherent in the interaction between the two cultures.

The fifth disaster is the taking of the land from the Eskimos, and because the whites

are doing this, they just may succeed where all past disasters have failed. The land is part of the Eskimo. It cannot be amputated no more than a spirit can be separated from any human being. To take the land of the Inuit is to take their life."

I would repeat, to take or destroy the land of the Dene, the native people of this land, is to take their life."

Mr. Berger, you have heard many voices in small settlements and villages throughout this land speaking with great simplicity and honest talking about the reality of their lives. Many native people have called at this time for the recognition of rights to self-determination, to have control over the things which are affecting their lives. Many have expressed fear and distrust, which has been well-founded by years of experience, of this pipeline development. They have called for a halt to these plans until a fair and just land settlement has been negotiated with the Federal Government. This land is the home of the Dene, and the native people are still the majority in number in the Northwest Territories.

The native people have called for their recognition as-the rightful owners to this land, and have sought to be recognized as a nation, as a group of human beings with an identity. They have asked that this distinct identity be recognized by other people, by Canadians. The Government of Canada, through their Minister in charge of Northern & Indian Affairs, has publicly rejected the struggle of the Dene for

recognition and just treatment. It seems that the present Government of Canada thinks that the native people should consider themselves only as Canadians. I feel this is a sad mistake.

For the struggle of the Dene -- the struggle to express a particular identity as human beings, to have an opportunity to decide the kind of life they wish to live, and to control the growth of that life and to have this expression recognized by others is the struggle of many people, including Canadians. Instead of rejecting these positive attempt towards people development, to develop a better life for the native people, the Canadian Government and the Canadian people would do well to look at the struggle as a mirror of their own struggle in their own lives.

What is this nation called Canada? What is a Canadian? How much control do the majority of Canadians have over their own lives? And tow do other nations view this Canada nation? Many people right now are struggling to gain control of their lives to self-determination; but how many have gotten together, as have the native people of this land, and attempted to deal with this problem constructively?

Instead of criticizing the Dene for their actions, we should congratulate them and support them, for they have set an example that others may follow. We are approaching a very critical moment in the history of the people of this land and the people of all lands. Each and every one of us has a vital and important responsibility to look carefully and openly at

ourselves and the world around us. Shall we bend to the will of those who wish to increase their control over our lives and our future, and those of our children and grandchildren? Shall we bend to the myrrh of the good life, rich in material benefits but barren in the riches of human values? Shall we believe the stories of the new life in this modern technological society that the pipeline hustlers have promised, or shall we stand strongly without fear, and build human nations, societies, and institutions that reflect in the daily life a true respect and compassion for this earth and the living things on it?

Which way shall we go? These hearings have contributed greatly as an open forum for people to speak. Mr. Berger, I feel you are to be congratulated for your courage and wisdom in providing a means for all people to come forward and speak of their hearts and minds; but the days of speaking will soon end and I hope that you will be blessed with the same courage and wisdom which you have displayed in this land when the days of action arrive.

I would like to close by quoting from George Manual's book, "The Fourth World."

> "Chardin, the French philosopher, I am told, had only one sentence in all his books related to North America. If the white man also stays in North America another 10,000 years, he, too, will become an Indian. If you think I mean wearing buckskin and living in wigwams, you are mistaken. I mean in gaining a feeling for this land. It is

your only survival." I hope he is wrong. We do not have anything resembling 10,000 years remaining to us to make that decision, if we are to survive, either you or I.

Again I'd like to thank you for this opportunity.

THE COMMISSIONER: Thank you very much, Mr. Watson, for a most thoughtful presentation. Can you leave your written statement with us even if it's difficult to make out? It's helpful to us to be able to have it.

A Yes, I'll leave it.

THE COMMISSIONER: Fine. Thank you very much, sir.

(SUBMISSION BY BILL WATSON MARKED EXHIBIT C-230)

(WITNESS ASIDE)

ROY POLLOCK sworn:

THE WITNESS: My name is Roy Pollock. I reside in Yellowknife and have for oh, about 21 years -- I think I stopped counting about two years ago. About two years ago I went to the Yukon and they have the word for a southern person coming north, and they call him a "sourdough". I also heard the definition for a "sourdough", which is a person who is sour on the country and not enough dough to get out.

Well, I assure you, I'm not sour on the country and I've got more than enough dough to get out. I'm a northerner, first and foremost.

Now, I am in agreement with

the pipeline. I think it should be built, and I have a little note from NEWS OF THE NORTH, it's an article here giving Canadian Arctic Gas Pipeline Limited received vote of support last week from the Ontario Natural Gas Association. Well, I want to give Foothills Pipe Lines a vote of support on the grounds that they propose o put in trunk lines to the communities affected along the route of the pipeline. My vote won't count, so it don't make no difference now anyway.

I also have a news clipping from THE YELLOWKNIFER which was made by an environmental student working for the University of Calgary who did some studies on development in the high Arctic, western Arctic, eastern Arctic, and all of the places in Northern Canada, and it says:

> "Many of our technical solutions fall flat in the Arctic because we do not understand the people in situations we are planning for."

It goes on to say:

> "He believes we must allow people in northern settlements to incorporate their own values and aspirations into decision-making process by enabling them to make meaningful trade-offs between different human aspirations which may not be compatible,"

and he cites some examples of single dwelling units and stuff like that.

But I think one of the greatest. key statements is in the last paragraph:

> "Tester maintains that if we do not initiate

action, bad planning in the north may eventually lead to militant action by inhabitants. If an engineer in the south makes a bad management decision, we will likely never hear of it. The same mistake in a frontier settlement under extreme environmental conditions is devastating."

We have been saying that in the Northwest Territories for one heck of a long time, and nobody seems to listen to us. I think through this Inquiry in particular, we will be heard, maybe not, there might be a lot of paperwork and it may end up to be too much to read anyways in the long run.

But my own feeling is that the pre-requisite of anybody building a pipeline in the Northwest Territories should be that trunk lines should lead into all the communities along the route regardless of economics. It is our gas, our oil, and we should benefit by it. Not Ontario, Manitoba, first; we should benefit by it first here, not there.

Another point is the highest possible local labor involvement, and if a guy wants to work like somebody mentioned before, says he's got the experience, let him go ahead and try. Never mind if he's got a paper. I say I can do drafting. I can do it. I say I can plumb a house, I can plumb a house. I don't care if I've got papers, and I don't think these employers should worry about that. If a guy says he can do it aid he's willing to do it, let him have a try.

The third point is native claims should be the first pre-requisite before anything

is done, other than enquiring. Thank you.

THE COMMISSIONER: Thank you very much, Mr. Pollock. Thank you very much.

(WITNESS ASIDE)

STEFF STEPHANSSON sworn:

THE WITNESS: Justice Berger, ladies and gentlemen, my name is Steff Staphansson. I'm speaking just as a private citizen tonight, I am a biologist with the Canadian Wildlife Service. I intended originally to come here just to listen to the hearings; but numerous points and comments have been made by some of the people speaking so I thought I would say a few words mainly on behalf of environmental issues that have come up.

I grew up in Northern Manitoba, was born and raised in Flin Flon, and in many respects my experiences here in the Northwest Territories has been. similar. It's a mining community, as some people well know, as is Yellowknife, although it's becoming heavily loaded with government too.

When I was a kid growing up there was no real concern about environmental issues simply because they weren't economically viable. Now that we are in this day and age here where environmental issues really have become important because they are considered, not necessarily because they are economically viable, but because there is so much public interest in the environment.

I'd like to speak mainly on

behalf of a lot of biologists who have done work in the Territories, and unfortunately some of us can be called southern people, too; but our primary interest has been in the northern areas.

The work that we've had to do is very costly in comparison with the overall results of a huge massive project such as the Mackenzie Valley Pipeline, and we're up against one very fundamental problem, we can seldom give an absolute answer to anything, where engineer can come out and plan a project and give a cost, were an economist can come and do the same thing and give a probability of how long it will take to do it, and so on and so forth. We can very seldom say what will happen to an animal population of there is an oil pipeline spill or a creek bed is disrupted by construction, or so on and so forth.

There has been a lot of work done in connection with the Mackenzie Pipeline but still in my opinion there hasn't been enough work done. We still don't know a lot of the environmental answers. Our work, of course, is hampered by pipe politics, as most peoples' is, and often it comes down to the simple dollars and cents of any kind of a project that has to do with any environmental or resource concern.

But I think one thing that we've been trying to point out in doing these environmental studies, and I feel that a lot of people have really not been aware of, is that we as biologists, the majority of us consider people as part of the ecology. We are not simply sitting up there like a lot who have discussed

northern development and so on and so forth, and Foothills and Arctic Gas and so on and so forth. They seem to be sitting up on some kind of different area than most are, looking down and seeing it as a dollars and cents type of project, and in trying to put a cost on the environment and so on and so forth. They seem somewhat removed from the entire project.

We are trying to point out as environmentalists that we people are part of the whole issue, and the effects that will be borne, as a result of any environmental destruction, will be borne by the people in the south. There is talk about the high prices that will have to be paid for wage employment in constructing the projects, and numerous spinoffs mentioned by some people that will stimulate business in the northern economy, so on and so forth. This is fine. I'm not really basically against development, if it's done in a controlled state; but it's impossible to buy back a paragon falcon once it's been destroyed. It's impossible to buy back a fish population once it's lost. It's impossible to replace marine mammals once they've been destroyed, too. Yet we see more and more things done in the dollars and cents thing, and looking at a resource where you can very seldom come down with a dollars and cents value to it, you have to look at mainly people values that have sprung up, and try in some kind of a way to quantify it, to compare it and say, "This is what the effect will be."

Earlier in the evening Mr.

Henne mentioned the Canol Road in. its construction and that nobody at that time really cared about the ecology. Well, I'm certain that if any ecologist had raised any objection to that protect would have been put in jail for 300 years, simply because it was during the war years. A person would have been out of their minds. Or the Dew Line sites, that was an interesting one too. Now granted, again that was a necessary thing, and what he was saying was well -- other people have said this too, that there were no major effects from the Dew Line construction as well. I dare to say if anyone goes to the Village of Cambridge Bay or Frobisher Bay and looks around, and takes a good close look and says, "There's no effects," you just have to look at some of the people living there, and if you can't see the effects then somebody is very, very blind. There has been a lot of effects.

Again, I feel that probably we don't have enough answers to the environmental effects of the pipeline as it stands now. We do need more time and unfortunately I can't say how much more time. I doubt if very many people could say how long it's going to take to find out -- that is biologists or environmentalists, and I suppose ultimately the pipeline will go through and I really sincerely hope that it is done in a most humanly as possible. I particularly choose the word "humanely" because the effects are going to be borne mainly by the people. You know, us people are going to have to put up with this kind of project, say if anything does go wrong.

I really can't help but feel that you know, I see this pipeline probably going through and probably the major effects of the profits will be going down to Southern Canada and will not have really that many effects borne up here in the Territories, although Foothills have proposed trunk lines and so on and so forth. But I can't help but feel that this whole thing about development and the state of affairs that we're in now, like inflation and shortages and high costs of energy, the whole thing of development, that development really is the basis of all those costs that we're bearing and that's what has been found in the south. Now I think we are trying to say, "O.K., let's not make the same mistakes as we've made in the south, let's take it slow and do a rational development and get this thing done if it's going to be done as humanely as possible."

Thank you, sir.

THE COMMISSIONER: Well, even though you came only to listen, I'm glad you decided to say something, Mr. Stephansson. Thank you.

(WITNESS ASIDE)

DAVE NICKERSON sworn:

THE WITNESS: Dave Nickerson, member of the Northwest Territories Council for Yellowknife North.

Mr. Commissioner, myself and my colleague from Yellowknife South, Mr. Searle, expect to be presenting a formal brief to you sometime early in

the next year, so for the present I'll just make a very few informal remarks.

I have one very brief statement to make, followed by a rather awkward question for he two gentlemen from the various pipeline companies ,ho have kindly consented to be here tonight.

The statement runs like this: Just a few months ago I was running an election campaign and the two major points in my platform were: l) that I would work towards political evolution in he north, leading eventually and hopefully within the fore seeable future to provincial status; and 2) that I took a very pro-development stand, especially with respect to the pipeline.

The fact that I won the election by quite a reasonable majority leads me to believe that it is the wish of the majority of people n Yellowknife North and probably in the whole of Yellowknife that the pipeline plans go ahead, and that pipeline be constructed.

The question I don't know whether the gentlemen here will be able to answer, I don't really now whether I'm asking for an answer, is that assuming it to be constitutionally possible, if the Northwest Territories were to impose a tax on the pipeline along the formula such as this, that in each year the pipeline company would pay to the Territorial Government an amount equal to the value of throughput for one day, for each 100 miles of pipe, so in the case of an 800-mile pipeline they would pay eight days -- the

value of eight days' throughput, which --

THE COMMISSIONER: Per annum?

A Per annum, per annum, so in the case of the Arctic Gas plans with a throughput of 4 1/2 million cubic feet, and assuming a value of about a dollar a thousand, that would mean roughly $40 million a year to the Territorial coffers.

THE COMMISSIONER: Well, assuming it to be constitutionally possible, rather than have them try to sort that out, do you have anything to say about the question? Step up, both of you, if you wish, to the table.

A It was, Mr. Commissioner, a rather rhetorical question, I must admit.

THE COMMISSIONER: Well, Mr. Mirosh of Foothills, is advancing toward the microphone, so -- and Mr. Workman.

Ladies and gentlemen, the gentleman on my right is Mr. Mirosh, the vice-president of Foothills; the gentleman on my left is Mr. Workman, the Northern Affairs manager for Arctic Gas. They are very constant and important feature of our community hearings. Well, who wants to answer the question?

MR. MIROSH: Well, I have a microphone in front of me. I do feel it's a very difficult question and I don't think ,l can answer it specifically; but I did come up just to make one or two points, and that is that there will be taxation benefits to the Territories from gas plants and pipelines running through them, very likely on some

formula. As to what that formula will be, I really don't know at this time.

A From that I would assume that you would not strenuously object to such a suggestion as that?

MR. MIROSH: Well, I think in all fairness, the formula which you put forward would have to be studied under the assumption that it could be done, and the economics would have to be looked at. But a pipeline company does not own the gas and normally assessing taxation on the throughput with the value of the gas going through would not be a way which it would likely be assessed. It would probably be assessed more on the capital cost of the plant which is installed, the pipeline in the ground, the compressor stations, and of course the taxation benefits of employees and housing and so on.

MR. WORKMAN: I'd just like to add that Canadian Arctic Gas certainly is interested in hearing various proposals that come out of these hearings, and I certainly can't give an answer for this sort of question tonight, but I tell you I will certainly pass it onto our officers. But as Mr. Mirosh has said, this is certainly not the normal way of government taxing pipeline companies on material that they don't own; but we appreciate any sort of suggestions and we will certainly give it consideration, In assure you

THE COMMISSIONER: It looks like you've managed to get Arctic as and Foothills together on one point. You might, Mr. Nickerson, if

you're presenting a brief in the New Year, you might consider detailing a proposal. That seems to be what you're thinking of, for a throughput tax, which is not at all unusual, as I understand it, in pipelines, and these gentlemen are saying they don't own the gas. The gas is owned by Gulf, Shell and Imperial, and at the other end by the big gas companies, Union Gas, Gas Metropolitan, and the U.S. gas companies that are buying it. They just own the pipeline; but if you want to come forward with a proposal for a throughput tax, I'd be interested in hearing about it.

A Thank you very much, sir, for your advice.

THE COMMISSIONER: Thank you.

(WITNESS ASIDE)

THE COMMISSIONER: Well, ladies and gentlemen, it's 11 o'clock and well, not quite 11 o'clock.

MRS. ALETHEA FOSTER, sworn:

THE WITNESS: My name is Alethea Foster, and I didn't intend to speak tonight either. I just intended to listen. However, after listening to all that has been said, especially the last gentleman, I felt I had to speak, because Mr. Nickerson, our Territorial Councillor, claimed or in part claimed to speak for the people of Yellowknife, and supported the building of the pipeline, and given that I'm a resident of Yellowknife and I don't support the construction of the pipeline, I felt I had to speak

and let it be known.

Insomuch as the pipeline affects the native people of the north so much, I definitely feel that before the construction of a pipeline can even be considered, the native land claims have to be settled. That's the first thing that has to be done.

These land claims, as we know, to the native people, both the Dene and the Inuit, mean a lot to them. It doesn't only mean the land, it means certain rights that they have as being the aboriginal people; and these aboriginal rights, well to me, not only involve land and money in terms of a settlement, but they also involve certain political rights s we all know, the Inuit and the Dene right now are both proposing certain -- I'm not going to call it nations, we all know that's not a good word -- but they have certain ideas of how they would like to determine their own lives which if we want to be honest and look t the Northwest Territories, we must admit it has not been happening thus far.

I've heard the people speaking tonight and from time to time I hear references to 'Well, if everybody leaves to work for the pipeline and -because they're getting such great money, and certain people are left in the community and they're not making enough money, then they might return south."
There's a lot of reference to returning south. However, we have to face the fact that the native people of the Northwest Territories cannot return south because that

is not where they came from. This is their home, and once the social and environmental implications of the pipeline have taken place, and many people return' to the south, these people don't have a south to return to, they remain here because this is their home. We have to realize too, I've also heard tonight people mention that they've been here for 20 years and they've been here for 25 years, 28 years, and to us that sounds like a great deal of time. But we have to remember that the native people have been here since time immemorial, and if we want to speak about our rights having been here for 28 years or whatever, we have to remember what a greater claim these people must have after living here all these years.

As I mentioned before, the native people of the north, both the Dene and the Inuit are proposing that they have certain aboriginal political rights, and they've also said that these political rights may not -- or what they conceive of these rights to be may not be the same as the people in the south have.

Mr. Nickerson referred to provincial status, and as we know this is one thing the native people have said is that they're not sure that provincial status and what it means in the south is something they see as being a vehicle for their own self-determination. I think that given that these people have been here and are here and will always be here, that they must have a right to determine their own lives and their own lives, their own land, and what's

going to happen to their land and lives. I think that - well, I even feel a little bit presumptuous sitting here talking about it in that these are the people that this is greatly affecting, greatly affecting. Like I said before, everybody here can pack it in, they can go south, they can go to Toronto, wherever it is. These people here don't have anywhere to go.

If anyone believes in the right to self-determination for people, if you believe in self-determination at all, then you must also believe that the native people must be heard because thus far as I began my brief, you just have to look around to see that that has not happened yet, especially in Yellowknife -- no, not especially in Yellowknife, but especially in larger municipalities where you find many more white people, many more southern people, many more non-native people. You only have to look around at this hearing to see that. Perhaps the hearing down at Latham Island will be different, but you only have to look here to see the people that are here, and to know that this isn't one of your average traditional native communities as most of them are along the valley, and that we here have to realize that. We have to look at the political body in Yellowknife, or bodies, and just look to see who's running the affairs here, who's running the City Council, who's running the Territorial Government. You know it's not the native people, therefore if at all -- I'm getting back to this one point and the I'll leave -- if at all you believe in self-determination then you have to believe in native

aboriginal political rights, and for them to be able to determine their own future, and if that is believed then the native people will have to be listened to in terms of how they feel about the pipeline, and what kinds of conditions and restrictions or problems that they see happening, and all their feelings will have to be taken into consideration. That's all I have to say.

THE COMMISSIONER: Thank you very much.

(WITNESS ASIDE)

THE COMMISSIONER: Well, I think, ladies and gentlemen, that I'll close the hearing for tonight. One reason is that I think that all of you who wished to speak have had an opportunity to do so. The second is that I am anxious to pay the most careful attention to what you say. I take the view that what you have to say is just as important as what the experts who give evidence at the formal hearings at the Explorer Hotel have to say, and I take the attitude that I can learn from each one of you, and I have done so this evening.

I want to thank all of you who came this evening and I want to thank especially those who expressed their views and gave me the benefit of their experience and opinions tonight. I appreciate it very much. 'What you've said has, of course, been taken down and will be in a transcript, and I'll have the opportunity of reading it, and re-reading it, where appropriate, in the weeks and months ahead.

So let me thank you for the help you've given me tonight, and I'll adjourn the community hearing until next Wednesday night at eight o'clock when we will meet again at the Community Hail at Latham Island. If you wish to come down there I certainly look forward to seeing you at that time.

The Inquiry itself is adjourn until ten o'clock tomorrow morning. Thank you again

(PROCEEDINGS ADJOURNED TO OCTOBER 22, 1975)