

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 44TH SESSION

TABLED DOCUMENT NO. 26-44

TABLED ON FEBRUARY 12, 1971

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(First Session, 1971)

Tabled on Feb 12, 1971

RETURN TO QUESTION W21-44
RE: ARCTIC RED RIVER SAWMILL

February, 1971



TDA
26-44

PLEASE QUOTE

FILE 60-009-000

GOVERNMENT OF THE NORTHWEST TERRITORIES
CANADA

Yellowknife, N. W. T.
February 11, 1971

EXECUTIVE SECRETARY

Answer to Written Question No. W-21,
asked by Mr. L. Trimble

The Department of Industry and Development assumed control of the Arctic Red River Sawmill on April 1, 1969. Prior to that date the mill had been operated by DIAND. As a result figures for the operating costs and revenues during the period of Federal Government operation are not available in Yellowknife. DIAND have been asked to provide them. Answers to the questions asked by Mr. Trimble are therefore only provided for the period from April 1, 1969. The remainder will be submitted when received from DIAND.

1. Question:

What was the total capital cost of the Arctic Red River Sawmill?

Answer:

The initial DIAND capital cost was \$67,500.00. The mill was partially destroyed by fire in December of 1968. The rebuilding costs were:

- | | |
|--|-----------------|
| (a) Replacement of equipment lost in fire | \$ 40,598.22 |
| (b) Rebuilding costs - Territorial Construction and Supply Ltd. This covered construction of the powerhouse and mill | <u>7,700.50</u> |
| | \$ 48,298.72 |

This was funded entirely by the Government of the Northwest Territories.

2. Question:

- (a) At what price was this sawmill sold?
- (b) To whom was it sold?
- (c) What was the address of the purchaser?

Answer:

- (a) \$90,000.00
- (b) SMS Northern Ltd., Mr. J. C. Thorpe, President
- (c) 14536 - 118th Avenue, Edmonton, Alberta.

3. Question:

Was any written agreement incorporated into the agreement of sale which would require the future hiring of local labour?

Answer:

Clause 9 of the Sales Agreement reads:

"70% of its employees shall consist of persons who have been resident in the Northwest Territories for at least 5 years."

4. Question:

What was the total operating cost of this sawmill from the time it was first located at Arctic Red River?

Answer:

From April 1st, 1969, to the date of sale April 30th 1970 - \$57,725.14.

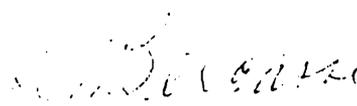
5. Question:

What was the total revenue received from the products produced by this sawmill?

Answer:

On April 1st when it assumed control from DIAND, the Department took over an inventory of lumber. They realized \$91,526.00 from the sale of this inventory.

Revenue from lumber processed from April 1st, 1969, to April 30th, 1970 - \$56,400.00.


J. A. Bergasse,
Assistant Director,
Industry and Development