



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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**Pages 707 to 754**

Speaker: The Honourable Donald M. Stewart, M.L.A.

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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TABLE OF CONTENTS

24 February 1982

	<u>PAGE</u>
Prayer	707
Oral Questions	707
Questions and Returns	709
Petitions	710
Tabling of Documents	711
Notices of Motion	711
Motions	712
Consideration in Committee of the Whole of:	
- Matters Relating to the Arctic Pilot Project	714
- Bill 1-82(1) Appropriation Ordinance, 1982-83 - Department of Public Works	746
Report of the Committee of the Whole of:	
- Matters Relating to the Arctic Pilot Project	753
- Bill 1-82(1) Appropriation Ordinance, 1982-83	753
Orders of the Day	754

YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 24, 1982

MEMBERS PRESENT

Mr. Appaqaq, Mr. Arlooktoo, Hon. George Braden, Ms Cournoyea, Mr. Curley, Mr. Evaluarjuk, Mr. Fraser, Mr. Kilabuk, Mr. MacQuarrie, Hon. Arnold McCallum, Mr. McLaughlin, Hon. Richard Nerysoo, Mr. Noah, Mr. Pudluk, Mr. Sayine, Mr. Sibbeston, Mrs. Sorensen, Hon. Don Stewart, Hon. Kane Tologanak, Hon. James Wah-Shee

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for February 24th.

Item 2, replies to Commissioner's Address.

Item 3, oral questions.

ITEM NO. 3: ORAL QUESTIONS

Mr. McLaughlin.

Question 43-82(1): Mining Safety Ordinance

MR. McLAUGHLIN: Thank you, Mr. Speaker. I have a question for the Minister of Justice and Public Services who is responsible for the Mining Safety Ordinance. For some time now there has been talk and discussion of producing a new Mining Safety Ordinance and to bring legislation in the House to effect that. The unions and operators of the mines in the Northwest Territories have been involved in the preparation of this ordinance and I was wondering if the Minister could tell us if he plans to have this legislation ready at this session or in the May session and if not until the May session, will he have it available to table here so that the general public can see proposed legislation before we debate it?

MR. SPEAKER: Thank you. Mr. Braden.

Return To Question 43-82(1): Mining Safety Ordinance

HON. GEORGE BRADEN: Mr. Speaker, the Member will recall that just prior to my budget estimates I read a major statement concerning changes to the Mining Safety Ordinance and mining safety regulations. I also made a major statement concerning the territorial government's role in monitoring the effects of uranium exploration. I would indicate to the Member at this time, Mr. Speaker, that the draft bill for the Mining Safety Ordinance is almost completed and the draft regulations or regulation changes are almost completed as well. Now, as I have indicated to some representatives of industry that have talked to me, it is my intention prior to bringing the draft bill into this House to circulate it to all Members of the Legislature, of course, but also to provide the draft bill to the public, to representatives of industry and labour and

let them review the document, make representations to their MLAs or perhaps to Mr. MacQuarrie's committee. I understand that he is considering taking some steps to allow for presentations to his committee on the legislative changes.

I would just say in closing, Mr. Speaker, that I have to congratulate all the parties that have been involved to date in the preparation of input into the draft ordinance and with respect to the regulations. It is my intention not to do anything which would prejudice the future of this ordinance and to undermine all the hard work that has been done so far. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Curley.

Question 44-82(1): Resident Dentist For Keewatin Region

MR. CURLEY: (Translation) Thank you, Mr. Speaker. My question is to the Minister of Health. We all know in Yellowknife there are doctors and dentists. You can just phone a dentist or a doctor and say you would like an appointment. The residents of Yellowknife have this. I would like to ask the Minister of Health concerning the Keewatin district people. They should have a dentist available. Does he agree with me that the Keewatin people should have this? Keewatin people have not had a dentist for some time and people have to either go to Yellowknife or Churchill and pay their own airfare. I wonder if the Minister of Health will have a dentist available to the people of Keewatin. Could you try to negotiate with the Department of National Health and Welfare concerning Keewatin's problem?

MR. SPEAKER: Mr. McCallum.

Return To Question 44-82(1): Resident Dentist For Keewatin Region

HON. ARNOLD McCALLUM: Mr. Speaker, I recognize that the provision of dental services across the Northwest Territories is now and has been for some time a very serious question. We have in the past contracted from the University of Manitoba and other provincial universities for the services of dentists. I recognize now that the Keewatin has not had a resident dentist for some time. As I indicated, I think, when we were talking about the budget for the Department of Health, we as a government now were going to do the work on behalf of the federal department to contract for the services of doctors, medical practitioners, not the least of which would be for dentists as well. I will undertake to look into the situation on behalf of the Members from the Keewatin to determine just what we can accomplish so that there is a resident dentist in that particular area. I would appreciate getting some more information from both Members from the Keewatin on this and I would want to indicate that yes, I believe the Keewatin should have a resident dentist together with more dental therapists. I will look into the situation as quickly as possible and try to come back with something more positive to the Member.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Curley.

Supplementary To Question 44-82(1): Resident Dentist For Keewatin Region

MR. CURLEY: Yes, Mr. Speaker, supplementary to the Minister. I asked the question about the dental services about this same time last year. The Minister then indicated that he would look into the problem. I want to say to the Minister that I do not think he needs to indicate that he will look into it. He needs to solve the particular problem. The reason I am asking him this further supplementary is because the government and the federal government have an agreement with the University of Manitoba to provide that service. Why does the government not take a serious stand, that they must provide dental services to the Keewatin, not only providing a resident dentist but a travelling team of dentists to provide the necessary services for the people of the Keewatin? Could he indicate to me that he will attempt to make sure that the agreement between Health and Welfare does provide a change to that effect?



MR. SPEAKER: Mr. Minister.

Further Return To Question 44-82(1): Resident Dentist For Keewatin Region

HON. ARNOLD McCALLUM: Mr. Speaker, I indicated to him that I would pursue this even further. I recognize that there have been questions about the provision of medical practitioners in the North but up until the present time the recruitment and the contracting of these services -- that is the medical practitioners themselves, including dentists -- has been the prerogative of the federal government through National Health and Welfare and/or the Department of Indian Affairs and Northern Development and not the Government of the Northwest Territories.

Over the past six to seven months, we have been working to try to come to an arrangement with both federal departments and the federal government in general so that this government will go out and recruit and attract medical practitioners. What I am saying is that we have now finally made that arrangement. This government is in the process now of recruiting and attracting medical practitioners, including dentists, not only for the Keewatin but in other areas. More specifically, I have indicated as well that the territorial government is prepared to help people get into private practice. I have indicated that to other areas, and particularly to the Delta, so I will attempt to see that in our recruitment of these medical practitioners that a dentist is found for the Keewatin and together with the paraprofessional people, to make up a travelling team that would be able to travel throughout the Keewatin and other areas to provide that kind of service. So I would make that commitment to the Member now that in our recruitment of medical practitioners we would include that service for the Keewatin, that is in the area of dental/medical services.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Ms Cournoyea.

Question 45-82(1): Request For Reply To Question 36-82(1)

MS COURNOYEA: Mr. Speaker, the question is to the Minister of Health and Social Services. I asked the question previously for a report on a task force from Indian Affairs which came to Yellowknife to discuss medical facilities in the Northwest Territories. Could he indicate when he intends to give that report?

MR. SPEAKER: Mr. Minister.

Return To Question 45-82(1): Request For Reply To Question 36-82(1)

HON. ARNOLD McCALLUM: Mr. Speaker, the question was asked of me while I was absent from the House. When we come to the item questions and returns on the orders of the day I have a return to make to the question at that time.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. The last time, oral questions.

Item 4, questions and returns.

ITEM NO. 4: QUESTIONS AND RETURNS

Are there any written questions today? Mr. McLaughlin.

Question 46-82(1): Underground Mining Problem

MR. McLAUGHLIN: Thank you, Mr. Speaker. My question is directed to the Minister of Justice and Public Services and addresses underground mining problems. As some Members are aware, the present Mining Safety Ordinance does not allow underground mining shifts to exceed eight hours. I realize the

purpose behind this, but at mining operations such as Polaris, where miners leave their families to work, this creates a difficult problem. The underground miners cannot work overtime, so they cannot make as much money as the employees in the mill or on surface. This creates a difficult situation for the miners, who do not want to sit around camp doing nothing while they are away from their families. It also makes it difficult for the companies to attract workers to the underground mine, which is the whole reason for the operation existing. Apparently something is being done to solve this problem at Polaris and I would like to know what this temporary solution is and what type of permanent remedies will be taken to solve this problem?

MR. SPEAKER: Thank you, Mr. McLaughlin. Written questions. Are there any returns for today? Mr. McCallum.

Return To Question 36-82(1): Report Of Special Health Task Force

HON. ARNOLD McCALLUM: Mr. Speaker, I have a return to an oral question asked by the Member for the Western Arctic, concerning the federal task force on health services planning and policy co-ordination. I have the following reply.

The task force met February 8 through 11 in Yellowknife. The results of this meeting were:

- 1) The development and final draft of the terms of reference to be recommended to the steering committee, that is, assistant deputy minister of DIAND; assistant deputy minister of medical services branch, Health and Welfare; assistant deputy minister of Department of Health, Government of the Northwest Territories. Once the terms of reference are approved by the steering committee they will be made available to me.
- 2) Introductory and explanatory meetings with the two government organizations involved, namely the Government of the Northwest Territories Department of Health; and medical services, Health and Welfare Canada.
- 3) A meeting with the Dene Nation, in the form of a courtesy call, to inform them that a task force was struck to conduct an internal, administrative type review of health services planning and policy co-ordination between the two organizations.
- 4) A work plan for the next six months outlining travel plans and deadlines. Trips will be made to the regional and zone centres.
- 5) Organization of the documents to be researched and assimilated. Examples are: major health studies; cost-sharing agreements; Indian health policy; programs of each organization; standards for health service delivery. The task force will meet again in Yellowknife the week of March 8, 1982.

I met very informally with the members and discussed generally with that group what they planned to do. I offered certain comments to them. I look forward to them coming back again when they would be able to report to me on behalf of this government just exactly what they propose to do and what their more definitive schedule would be.

MR. SPEAKER: Thank you, Mr. Minister. Are there any other returns?

Item 5, petitions.

ITEM NO. 5: PETITIONS

Ms Cournoyea.

MS COURNOYEA: Mr. Speaker, I wish to table a petition to the House, Petition 3-82(1), Petition for Public Inquiry into Economic Development. I wish to read the contents of this petition. The petition comes from the Paulatuk settlement council. "On January 15, 1982, the settlement council of Paulatuk held a public meeting. At that meeting they made a motion, motion 82-05,



to support a public inquiry into the past and present operations of the Economic Development of the Inuvik region. They feel that the people are not exposed to enough wage making programs and that the few individuals that are trying to deal with them are given a hard time. A concern expressed was that Economic Development made promises they did not honour. So, this letter is in support of public inquiry into Economic Development and their operations, in a hope that they will expose all of the programs that will help people help themselves, and encourage people to do just that."

MR. SPEAKER: Thank you, Ms Cournoyea. Any further petitions?

Item 6, tabling of documents.

ITEM NO. 6: TABLING OF DOCUMENTS

Mr. Wah-Shee.

HON. JAMES WAH-SHEE: Mr. Speaker, I wish to table Tabled Document 24-82(1), Report of the Constitutional Alliance, dated February 24th, 1982.

MR. SPEAKER: Thank you. Tabling of documents.

Item 7, reports of standing and special committees.

Item 8, notices of motion.

ITEM NO. 8: NOTICES OF MOTION

Mr. McLaughlin.

Notice Of Motion 38-82(1): Reappointment Of Members To Workers' Compensation Board

MR. McLAUGHLIN: Thank you, Mr. Speaker. I would like to give notice that at the appropriate time I will be asking for unanimous consent to move a motion regarding the Workers' Compensation Board, that this Legislative Assembly recommend to the Commissioner of the Northwest Territories that he reappoint to the NWT Workers' Compensation Board the following members, whose present terms will expire shortly: Mr. W. Berezowski, Mr. A.W.R. Hettrick, Mr. D. Johnston; and further, that Mr. Robert Kuptana be appointed to this board.

MR. SPEAKER: Thank you. Notices of motion. Mr. Pudluk.

MR. PUDLUK: Mr. Speaker, I wish to give notice of two motions, which I will move on Friday, February 26th. These are replacing my Motions 30-82(1) and 31-82(1), which I am withdrawing, because I understand they were not in order.

Notice Of Motion 39-82(1): New TV Antenna For Resolute Bay

My motion: Now therefore, I move, seconded by the honourable Member for Hudson Bay, that this Assembly recommend to the Executive Committee that it replace the existing antenna beside the receiving dish in Resolute Bay as soon as possible with a new antenna high enough to ensure that the TV signal can be received by all houses in the settlement.

Notice Of Motion 40-82(1): Local Radio Station In Resolute Bay

My second notice of motion: Now therefore, I move, seconded by the honourable Member for Hudson Bay, that this Assembly recommend to the Executive Committee that it set up a local radio station in Resolute Bay as soon as possible.  
Thank you.

MR. SPEAKER: Thank you, Mr. Pudluk. Notices of motion. Last call. Notices of motion.

Item 9, notices of motion for first reading of bills.

Item 10, motions.

ITEM NO. 10: MOTIONS

Motion 29-82(1), Mr. Wah-Shee.

Motion 29-82(1): Referral Of Political And Constitutional Development Subject To Committee Of The Whole

HON. JAMES WAH-SHEE: Mr. Speaker, I would like to move the following motion regarding the referral of political and constitutional development subject to committee of the whole.

WHEREAS the leaders of the major aboriginal associations and I have had a conference to discuss political and constitutional reform and will be meeting again on February 23rd and 24th, 1982, to finalize a proposal and a framework for political and constitutional development;

AND WHEREAS I have indicated to this Assembly that I would be tabling a report on these meetings for its consideration;

AND WHEREAS many Members of this Assembly have indicated that there is a need to discuss in detail political and constitutional development;

NOW THEREFORE, I move that the subject of political and constitutional development be considered in the committee of the whole as a first item of business on Thursday, February 25th;

And further, that the representatives of the major aboriginal associations be invited to appear as witnesses during that discussion.

MR. SPEAKER: I need a seconder for this motion. Mr. Sibbeston is seconder. Your motion is in order, Mr. Wah-Shee. Do you wish to speak to it now?

HON. JAMES WAH-SHEE: Mr. Speaker, thank you. I only want to indicate at this time that the Assembly has been aware of the conference that has been taking place. I have been asked to make a presentation tomorrow for the consideration of the Members of this House and it is my intention with regard to this motion to ensure that a proper arrangement is made to ensure that the report is dealt with; as well, that the representatives of the alliance should be given the opportunity to appear before this House to answer any questions that the Members may have. Thank you.

MR. SPEAKER: Thank you. Mr. Sibbeston, as seconder, do you wish to speak at this time?

AN HON. MEMBER: Question.

Motion 29-82(1), Carried

MR. SPEAKER: Question being called. To the motion. Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Motion 30-82(1): Television Reception At Resolute Bay; And Motion 31-82(1): Radio Station For Resolute Bay, Withdrawn

I understand that Mr. Pudluk has withdrawn Motions 30-82(1) and 31-82(1), is that correct?

MR. PUDLUK: Yes, Mr. Speaker.

MR. SPEAKER: Thank you. Then I understand that Mr. McLaughlin was going to be seeking unanimous consent. You may do so at this time, Mr. McLaughlin.

MR. McLAUGHLIN: Yes, thank you, Mr. Speaker. I would like to ask for unanimous consent at this time to proceed with my motion on the Workers' Compensation Board appointments.

MR. SPEAKER: Unanimous consent is being asked to waive the 48 hours notice. Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Proceed, Mr. McLaughlin.

Motion 38-82(1): Reappointment Of Members To Workers' Compensation Board,  
Carried

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MR. McLAUGHLIN: Thank you, Mr. Speaker.

WHEREAS the terms of the office of several members of the Workers' Compensation Board will expire in the near future;

NOW THEREFORE, I move that this Legislative Assembly recommend to the Commissioner that he reappoint to the Northwest Territories Workers' Compensation Board the following members whose present terms will expire shortly: Mr. W. Berezowski; Mr. A.W.R. Hettrick; and Mr. D. Johnston;

And further, that Robert Kuptana be appointed to this board.

Thank you, Mr. Speaker.

MR. SPEAKER: Is there a seconder to this motion? Mr. Tologanak. To the motion. Your motion is in order, Mr. McLaughlin. Do you wish to speak to it?

MR. McLAUGHLIN: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

That then would conclude motions for today.

Item 11, introduction of bills for first reading.

Item 12, second reading of bills.

Item 13 of your orders of the day, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 13: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

First on the order paper, the matters relating to the Arctic Pilot Project, with carry-over of Tabled Document 15-82(1), Workers' Compensation Board task force report, and Bill 1-82(1), the Appropriation Ordinance, 1982-83, and the 13th Report of the Standing Committee on Finance, with Mr. Fraser in the chair.



---Legislative Assembly resolved into committee of the whole for consideration of Matters Relating to the Arctic Pilot Project; Bill 1-82(1), Appropriation Ordinance, 1982-83, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER MATTERS RELATING TO THE ARCTIC PILOT PROJECT; BILL 1-82(1), APPROPRIATION ORDINANCE, 1982-83

Matters Relating To The Arctic Pilot Project

CHAIRMAN (Mr. Fraser): This committee will come to order. We are considering matters relating to the Arctic Pilot Project. I think it was a motion that was brought in by Mrs. Sorensen. If she would listen maybe we could get some business done here. Mrs. Sorensen. We are dealing with the matters related to the Arctic Pilot Project. I believe this is your motion.

MRS. SORENSEN: Yes, thank you, Mr. Chairman. I wonder if the committee would approve of inviting the witnesses in so that we can ask questions of them and hear what they have to say.

CHAIRMAN (Mr. Fraser): Is it agreed that we bring the witnesses in? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Thank you. Thank you. We have the witnesses at the table now. I will call on Mr. Doug Bruchet, assistant project manager of the Arctic Pilot Project to introduce himself and his witnesses at the table. I would like to remind you that we have translation here. You will have to talk slowly and distinctly and address the Chair at all times. So Mr. Bruchet, if you will introduce your witnesses. We have the names here but they have to be read into the record. Thank you. Mr. Bruchet.

MR. BRUCHET: Yes, Mr. Chairman, I would like to have Robin Abercrombie do that, please.

MR. ABERCROMBIE: Mr. Chairman, and distinguished Members of the Legislative Assembly, ladies and gentlemen, my name is Robin Abercrombie. I am a senior vice-president of NOVA, An Alberta Corporation, and vice-chairman of the executive committee of the Arctic Pilot Project. I would like to start off by saying thank you very much for the opportunity to present some of the detail and some of the principles inherent in the Arctic Pilot Project.

I would like to introduce my colleagues who will be helping in the presentation of details. On my right is Doug Bruchet who is the assistant project manager of the Arctic Pilot Project and also in charge of the social and environmental areas of research in the project. On my left is Mr. Ed Wetherall, manager of engineering with Dome Petroleum and the chairman of the LNG, liquefied natural gas carrier committee. On Mr. Bruchet's right is Bob Dick who is the vice-president of Melville Shipping and manager of marine operations for the Arctic Pilot Project. On his right is Mr. Rick Bailey who is manager of economics for the project. As you may know, the hearings are now under way in Ottawa dealing with an application by the Arctic Pilot Project. Mr. Wolcott who is the president of the project and project manager is the key witness and was not available to come to Yellowknife.

What we propose to do here is over roughly a half hour span, I would start by offering a few details, introductory details of the project. Then we propose to have a slide presentation which essentially gives an overview of the project after which we would be more than willing to answer any questions put forward by the Assembly.

### Sponsors Are Canadian Companies Active In The North For 10 Years

Just two things about the sponsors: Dome, NOVA, Petro-Canada and Melville Shipping are all Canadian companies in the sense that all or the majority of the shares are owned beneficially by residents of Canada. The other feature is that all these sponsors have been active in one way or another in the North, in the Arctic, for the last 10 years, and in the case of Dome and Melville Shipping, for the last 20.

Mr. Chairman, the Arctic Pilot Project is designed to test the feasibility of producing natural gas from wells in the Arctic Islands and transporting this gas via a 160 kilometre buried pipeline, transforming the gas into liquefied natural gas and shipping this LNG by ice-breaking carrier to a regasification plant in southern Canada, all on a year round basis. It involves the meeting of new socio-economic, environmental and technological challenges imposed by operating in our northern frontiers. The project stretches over a 20 year period. It pioneers the development of a physically and we believe socially acceptable north/south marine transportation corridor that is yet unequalled in Canadian energy resource experience.

The project represents an important building block of three Canadian energy goals: firstly, the orderly development of Canada's North; secondly, the attainment of energy self-sufficiency; and thirdly, the assertion of Canadian sovereignty in the Arctic.

### Project Designed At Minimum Scale For Delivery Of Gas

The project has been called a pilot because it is designed at the minimum scale necessary to prove the technical and economic feasibility of delivering Arctic Islands natural gas by ship. It will be one-tenth the size of a full-scale alternative for the delivery of Arctic gas. Even though the project is small in scale, it offers significant benefits for transportation and industrial development, job creation, business development, alternative energy research, training and education and a combination of all of the above through the research and development program.

### Dedication To Co-operation With Northern Residents

Associated with this policy is the project's long-term view of building upon the strengths, knowledge and experience of northerners. Every attempt will be made to provide northerners with opportunities most closely associated with their lifestyles and aspirations. A major component of the Arctic Pilot Project is the long-term commitment to a research and development program. This program will address environmental, socio-economic, technical and operational issues over a 20 year period. The program will be staffed by a combination of northern residents, Arctic Pilot Project personnel and scientists. The programs outlined in this brief on northern development benefits are presented as the next construction step in a continuing dialogue with northerners and their representative governments. The process of developing opportunities for northern residents in the project can only be achieved if the residents of the communities and the project sponsors maintain a continuity and harmony of dialogue through all stages. The Arctic Pilot Project is dedicated to such co-operative action, in the awareness that this project can play a key role in the orderly, timely development of Canada's northland and thus of Canada.

### Objectives Of Programs Providing Long-Term Benefits

In concluding the opening remarks, I would like to mention five specific programs with the goal of providing northerners with significant long-term benefits and the objective of each of these programs are as follows: Firstly, research and development and these are objectives to increase the present body



of knowledge related to the areas of the environmental sciences, social sciences, operations and transportation technologies for the Arctic, to develop mechanisms whereby the skills and knowledge gained will be transferred to northern people, their institutions and government.

The second principal program is employment opportunities, the objectives of which are to provide opportunities for hiring of northern residents for long-term and short-term employment generated by the project, to ensure the employment terms and conditions support the wide range of northerners' lifestyle preferences. As to business development, the objectives are to encourage northern business development through the procurement of goods and services required by the project, to foster the development of northern based support infrastructure to meet construction, research and operational requirements. Under alternative energy the objective is to examine the technical and economic feasibility of supplying an alternate source of domestic energy to High Arctic communities. Finally, under training and education, to provide opportunities for northern residents to obtain the fundamental skill base to participate in all aspects of the project.

This completes my opening statement and I would now like to turn the presentation over to Doug Bruchet, who is the assistant project manager.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes, Mr. Chairman. We would now like to proceed with the slide presentation.

CHAIRMAN (Mr. Fraser): Thank you very much. I think procedurewise, we will just break for about five minutes, until you get everything set up. Is it the wish of the committee that we break for five minutes before the slide presentation?

SOM HON. MEMBERS: Agreed.

---Agreed

---SHORT RECESS

CHAIRMAN (Mr. Fraser): Are you all set up now and ready to go? I wonder if we can get the committee back to order. Go ahead with your presentation. Could somebody get the lights back there?

#### Slide Presentation On Project

MR. BAILEY: Mr. Chairman, my name is Richard Bailey and I am the manager of planning for the Arctic Pilot Project. It is my pleasure to appear before you today to provide an overview slide presentation about our project. This presentation will briefly describe the proposed facilities, it will outline some of the extensive work that has been completed and will provide a summary of the benefits to be derived from the project. After the presentation, my colleagues and I will be pleased to answer your questions.

The Arctic Pilot Project is a transportation system designed to deliver 270 million cubic feet per day of natural gas from Melville Island in the Arctic Islands to a terminal location in eastern Canada on a year round basis, using ice-breaking...

CHAIRMAN (Mr. Fraser): I mentioned before and I will have to tell you again that we have translation here and you are going to have to talk slower, because you are going too fast. We get a red light here every time you speed up.

MR. CURLEY: Green light, please!

---Laughter

MR. BAILEY: ...using ice-breaking liquefied natural gas carriers. LNG was chosen as the cargo because of the abundance of natural gas in the Arctic and the fact that LNG is a non-pollutant. The project will provide experience in the movement of resources from the Arctic on the smallest economic scale. Even though the project is small in scale compared to alternative energy projects, it will yearly provide enough gas to heat approximately 725,000 homes. It is our belief that the project is complementary to other energy transportation systems, is highly flexible and does not commit the federal government to only marine transportation of resources.

This slide depicts the conversion of natural gas into liquefied natural gas, or LNG, for shipment as a compact energy resource and the reconversion to the gaseous state at the market place. The LNG is stored in the northern and southern terminals and on board the ships as a cold liquid at atmospheric pressure and a temperature of minus 162 degrees Celsius. The Arctic Pilot Project ships are specifically designed to carry LNG. They will not be used to carry other energy cargoes, such as methanol or crude oil. Indeed, these ships are specifically intended to remove LNG from Melville Island and will not be used to transport gas from other sources, such as King Christian Island.

#### Joint Venture Of Four Companies

The Arctic Pilot Project is a joint venture of four Canadian companies: Petro-Canada Exploration Inc.; NOVA, An Alberta Corporation; Dome Petroleum Ltd.; and Melville Shipping Limited. Melville Shipping is a consortium of three shipping companies: Federal Commerce and Navigation Ltd.; Upper Lakes Shipping Ltd.; and the CSL Group Inc. All of these large, financially strong Canadian companies have relevant experience to assist the Arctic Pilot Project in this northern development activity. Petro-Canada is the overall project operator and manager. With such a strong team we feel very confident about our ability to successfully carry out this most challenging northern development project.

The five major project segments are as follows: firstly, the Drake Point field facilities to be owned and operated by Panarctic Oils Ltd.; secondly, the Melville Island pipeline to be owned by the Arctic Pilot Project and designed and operated by NOVA; thirdly, the Bridport Inlet LNG facilities also owned by the APP and designed and operated by Petro-Canada; fourthly, the two LNG carriers owned by the APP and designed and operated jointly by Dome and Melville; and fifthly, the southern terminal to be owned and operated by TransCanada PipeLines Company Limited..

As our schedule shown here indicates, it requires approximately four years after project approval until the project becomes operational. We feel we have an opportunity and a window in time to develop a transportation system that will connect Canada's northern resources for the future benefit of all Canadians. We quite often get asked the question, why not delay the project for several years as we do not need the gas in Canada at this time? We are planning to develop a transportation system that, in our opinion, is vitally necessary to provide access to Canada's natural resources in the North such as gas, oil and minerals. Without a proven transportation link, we will be unable to have the assurance that resources in the Arctic and other frontier areas can be moved to market when needed. If we are contemplating moving other resources from the Arctic, it will not be until the late 1980s or early 1990s that the technology proven by the Arctic Pilot Project will be available.

#### Delay Would Destroy Opportunity For Orderly Development

We believe that we already are behind with this project and to delay it further would in fact destroy the opportunity for the orderly development of a year round Arctic transportation system. Society would then probably be faced with a need for moving larger volumes of energy from the Arctic in the last decade of this century without the vital technological development, experience and knowledge we would have gained from this first research development type project proposed for Canada's Arctic.



This slide illustrates the various review procedures which have been brought to bear on the Arctic Pilot Project. Firstly, the Environmental Assessment and Review Process or EARP hearing held in the North in 1980 and the results therefrom, including approval for the project, subject to the establishment of a control authority and advisory committee. Membership on the EARP panel included federal and territorial representatives. Secondly, the joint federal/provincial EARP hearings held in each of Quebec and Nova Scotia which resulted in approval being given for each of the respective southern terminal sites. Thirdly, the three Canadian coast guard TERMPOL reviews which investigated in detail the three terminal sites as well as the ship design and routing.

The sponsors of the Arctic Pilot Project believe it is important that each of these three review processes has concluded that the project is acceptable, subject only to certain terms and conditions. As is well known, the Arctic Pilot Project is now in the midst of its seventh review. Phase one of the hearings before the National Energy Board commenced on February 2nd of this year. Phase two in which detailed review of proposed facilities will be undertaken, will commence at the conclusion of phase one, estimated at or about mid-March. The board has tentatively scheduled hearings to take place in one or more Arctic communities for late April.

#### Proposed Facilities

I would now like to briefly review the proposed facilities for the Arctic Pilot Project. This slide shows the route of the pipeline on Melville Island from the Drake Point field in the north to Bridport Inlet in the south. The pipeline will be 160 kilometres in length, 559 millimetres in diameter, that is completely buried to minimize disruption to the environment. The gas flowing into the pipeline will be chilled to below freezing temperatures to prevent melting of the permafrost. At Bridport Inlet the natural gas will be liquefied and temporarily stored before being loaded onto the ships. The LNG plant and storage tanks will be barge mounted. Three barges will be built in southern Canada where control over costs and construction schedule can be effectively maintained and at the same time environmental impact at Bridport Inlet can be minimized.

This slide shows a cross section and plan view of the proposed ship design. These ships will be amongst the largest and most sophisticated vessels ever built anywhere in the world for commercial trade. It is our intention to have them operate under a Canadian flag utilizing Canadian crews to the maximum extent possible. The sponsors of the Arctic Pilot Project wish to emphasize that this slide represents the latest design concept for the ships. This design is evolving with time as results from model testing become available and as additional calculations are made.

#### Environmental Considerations

A very important consideration in the overall shipping component is, of course, the marine environment. The Arctic Pilot Project will seek to minimize to the maximum practical extent the impact of the project on the environment, the animals and the people of the regions traversed. An equally important consideration to the project is the physical environment, particularly as it relates to the passage of the ships. For several years the project has gathered relevant physical data in an effort to predict with confidence the technical performance and economic feasibility of the proposal. To date the APP has spent a total of approximately \$45 million, of which about \$6.5 million has been spent on environmental and socio-economic studies and regulatory related matters.

This slide shows the results to date of the biological and physical data collection and analysis done to define the shipping corridor from Melville Island to eastern Canada for the APP transportation system. The shipping

component, of course, is the most pioneering aspect of the project, both in the area of ship design and operation as well as in route selection. The Arctic Pilot Project has prepared an integrated route analysis which has been filed with the environmental assessment review office in Ottawa, the National Energy Board and various federal and provincial government departments. The integrated route analysis provides a base line that will prove to be the foundation for work to be conducted in the future by the APP. It defines the early stages in the evolution of the most desirable ship route for the project considering ship safety, environmental considerations and other factors.

#### Commitment To Research And Development

An important aspect of the Arctic Pilot Project is its commitment to an ongoing research and development program throughout the project duration. This program, under the direct administration of the Arctic Pilot Project, will cost an estimated 220 million in today's dollars over the nominal 20 year project life. It represents a significant commitment by the project to conduct research into environmental, socio-economic and technical questions as well as to monitor any effects that year round transportation may have on the Arctic.

Another important consideration for the APP is the socio-economic area as it relates primarily to the North and northern development. The APP for four years has had an ongoing consultation and liaison program through which we work very closely with northern peoples and government. An example of some of the major areas of activity in the socio-economic area are, firstly, the research and development program, business development in the North, employment and training opportunities, and Greenlandic concerns.

The project has adopted a number of policy objectives pertaining to social, cultural and economic matters. The dominant theme in these objectives is to provide long-term, meaningful benefits to the residents, communities and governments in the Northwest Territories. To provide these benefits the project, through its continued consultation with the government and the residents of the northern communities, has identified a number of issues. The resolution of these issues, while an accepted responsibility of the project, must be closely co-ordinated between the interests involved if mutual satisfaction is to be achieved.

#### Significant Opportunities For Northerners

In the evolution of this process, four particular issues have come to the forefront in their potential to provide long-term, significant opportunities for northerners. Each of these is described in more detail on the following slides.

Through a preferential hiring process, the project offers both direct and indirect employment opportunities in the construction, operations, research and development and business related activities. Project staff are working closely with the Economic Development department of the Government of the Northwest Territories and Canada Employment and Immigration Commission in the development of employment strategies.

Emphasis is being placed on the creation of long-term transferable skills in a sufficient number of areas to provide northerners with many options for employment. The project is paying particular attention to mobilization, rotation and labour pooling strategies. We are also making allowances for Inuktitut speaking counsellors and the translation of information relating to general employment matters. The provision of country foods and unique accommodation practices are being examined as well. We are certain that this project will provide the future direction for employment options and consideration of the northern lifestyle in employment areas.



### Business Management Seminars

The business development plan focusses on the identification of opportunities for both existing and potential businesses to provide goods and services to the land based facilities. Through the business development working group, which is currently represented by the Government of the Northwest Territories and project staff, this identification process has begun. Direct and indirect community input is invited and encouraged at any time. We are prepared to hold community based business opportunity and business management seminars in a manner similar to the employment program. Appropriate information will be translated and made available in sufficient lead time to ensure that northerners are made aware of and fully understand Arctic Pilot Project requirements. Perhaps one of the most imaginative ideas yet to be voiced is the potential for the Bridport accommodation facility to be owned, managed and operated by local residents following the example of the Siniktarvik group in Rankin Inlet and Frobisher Bay.

It is vital to the project to have a local northern supply infrastructure to support the project during the construction and operating phases. While perhaps this infrastructure might be more costly to establish in the short term, it should provide long-term benefits to the project through reduced logistical and transportation demands and benefits to the communities by making more goods and services available. Therefore, the project will take into account the need to develop a local infrastructure when sourcing goods and services that are available in the North. Where there are reasonable grounds to believe that northern suppliers can submit generally competitive bids, the bidders' list will be limited to northern suppliers.

### Long-Term Application Of Training And Education

The project believes that the training and education element has more far-reaching application than just to employment training. It has been suggested that virtually all activities related to resource development in the North will necessitate some level of new education, simply because the experience is generally an unfamiliar one. The project will, therefore, place emphasis on the enhancement of skills and knowledge, that will have a long-term application for both the project and overall community development. It is anticipated that through this process the project will initiate a process of knowledge transfer which will not only introduce more skilled tradesmen in the communities, it will produce appropriately educated and trained professionals at a number of levels.

The project has accepted the challenge of researching the economic and technical feasibility of providing an alternate source of energy for Arctic communities. In conjunction with the Government of the Northwest Territories and the federal Department of Energy, Mines and Resources, a series of study proposals have been outlined, which will address the issues of supply and production, an appropriate transportation system, existing and future markets and the current state of conversion technology. These studies, when commissioned, should provide the necessary information as to how it may be possible to lessen the communities' existing dependence on a southern sourced product.

### Benefits To All Of Canada

The evidence currently before the National Energy Board in Ottawa will show that the Arctic Pilot Project will provide significant benefits to Canada in several areas. Firstly, technology. The project will pioneer and develop Canadian technological expertise in the production and transportation systems for LNG, especially where the inaccessibility and small size of gas reserves makes a portable system appropriate. The development of a northern transportation alternative will be a key to a country the size of ours as it strives toward energy self-sufficiency. The project represents a chance for Canada to obtain



supremacy in the design and operation of ice-breaking vessels, vital factors in a northern country such as Canada. The technology acquired by Canadian firms may represent an export opportunity in that it will enhance their capability to compete in the international LNG business. The project will provide an economically viable opportunity to adapt and refine conventional engineering, construction and operational procedures to Arctic conditions.

Secondly, in terms of resource utilization, the project will add several trillion cubic feet of gas to Canada's gas supply by demonstrating that the discovered Arctic gas can be brought to market economically. The APP will provide impetus for further development of the substantial resources in the extreme North, such as oil and minerals, by proving the viability of a year round transportation system in the Arctic. The APP will provide a much needed cash flow for the search for hydrocarbons in the Arctic and will be positive proof of deliverability, thereby encouraging greater exploration.

Thirdly, in terms of employment opportunities, the project will provide additional education, job and business opportunities, as well as improved transportation and communication systems for northern residents. The project will create significant national employment opportunities and result in extensive investments, which will in turn generate more effects. Direct and secondary investments for the construction and operation of the southern regasification terminal will result in significant regional employment opportunities in areas of the country that currently have relatively high unemployment.

Fourthly, in terms of knowledge, the project will contribute immensely to the knowledge of Canada's northern environment by providing an ongoing research capability in the North. The project will add considerable knowledge in the fields of climate, sea state, ice management and others.

Lastly, in terms of sovereignty, we feel that the Arctic Pilot Project will provide substance to the Canadian claims of sovereignty in the High Arctic by sheer physical presence. In addition, we would establish technological sovereignty in the Arctic by moving to a position of number one in the world with respect to ice-breaking knowledge and capability.

#### Keystone Position In Frontier Developments

Mr. Chairman, in recognition of the keystone position of the Arctic Pilot Project in Canadian frontier developments, we believe that it is appropriate that the project receive timely approval from Canadian regulatory authorities. We believe that only through early project approval will a northern resource transportation system be created in time to permit northern resource development policies to be put forth in an orderly fashion to the maximum benefit of all of Canada. The knowledge generated through the APP will be of major use to Canada in defining northern development strategies and timetables. It will also put Canada directly into the forefront of Arctic marine technology.

In closing this slide presentation, I thank you for your attention and for the opportunity that my colleagues and I will have over the next few hours to share with you the details of this most exciting project.

MR. ABERCROMBIE: Mr. Chairman, that completes the formal presentation of the Arctic Pilot Project and we are prepared to answer any questions -- any easy questions.

---Laughter

CHAIRMAN (Mr. Fraser): Thank you very much. We will take our 15 minute coffee break now and then come back and we will get into a question period. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): Atiigo, atiigo! The Chair recognizes a quorum. For the question period maybe we should have everybody ask two questions and then go on to another Member. If there are any further questions, we can come back to these Members. What is the wish of the committee? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Direct all the questions at Mr. Abercrombie and he will pick the respective witness to answer the question. The floor is open now; initially two questions per Member and then we can come back if you have any more questions. Mr. Noah, do you want to start it off? Mr. Noah.

MR. NOAH: (Translation) Thank you, Mr. Chairman. I think there are two or three questions that I am going to ask. What depth of ice will you be travelling in? What will the depth of ice be?

CHAIRMAN (Mr. Fraser): Thank you, Mr. Noah. Mr. Abercrombie, the depth of ice that you will be travelling in.

MR. ABERCROMBIE: Mr. Chairman, I am sorry. We cannot seem to get these interpreting machines working here.

CHAIRMAN (Mr. Fraser): The question was, what depth of ice will your ships be travelling in? I think that was the question.

MR. ABERCROMBIE: Mr. Chairman, Mr. Noah, I will refer that question to Mr. Ed Wetherall who is the chairman of the LNG carrier committee.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Wetherall.

MR. WETHERALL: Mr. Chairman, we expect that during the operating season the ice thicknesses could be or would be in the order of two and a half metres. Thank you.

CHAIRMAN (Mr. Fraser): Two and a half metres -- I do not know what that is in feet. I think the Member...

MR. ABERCROMBIE: That is seven feet.

CHAIRMAN (Mr. Fraser): Seven feet. Thank you very much. Mr. Noah.

#### Possible Destruction Of Sea Mammals

MR. NOAH: (Translation) You have not really started your project yet. You have done some experiments but if you really start going through that route, I am concerned about the sea mammals. They have breathing holes in the ice. Mr. Chairman, the witnesses are not worried about the breathing holes in the ice for seals. For instance, if they are going up to their breathing holes, they will go through the ice where the seals have their breathing holes and the witnesses are not worried about killing off the seals on their ice routes. If you are going through seven feet of ice, are the witnesses not afraid that they might destroy the sea mammals in their breathing holes on their route?

CHAIRMAN (Mr. Fraser): Thank you, Mr. Noah. Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Chairman, I understand the question very well. It is coming through now and I am going to refer that question to Mr. Doug Bruchet who is in charge of the environmental and social areas.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.



MR. BRUCHET: Yes. We have looked at the distribution of ring seals in Barrow Strait, Lancaster Sound, and we have compiled a document -- a three volume document called "The Integrated Route Analysis" and that document routes the ship away from concentrations of sea mammals, whether they be seals or whales. We believe with the wide distribution of ring seals in Barrow Strait, that whatever mortality rate there would be, it would be very insignificant to the total population.

CHAIRMAN (Mr. Fraser): Thank you very much. Any further questions? Mr. Tologanak.

HON. KANE TOLOGANAK: Thank you, Mr. Chairman. You indicated in your presentation about the concerns of the people of Greenland. Why then did you attempt to prevent the Greenlanders from testifying at the National Energy Board hearings? That is my first question, and I have some other questions I would like to ask, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Tologanak. Mr. Abercrombie.

MR. ABERCROMBIE: Again Mr. Bruchet will answer that question.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes. The issue of the admissibility of Greenland evidence at the National Energy Board was one of jurisdiction, not that we thought that the Greenlanders did not have evidence to present. There are two levels of consultation that are going on with Greenland at this particular time. One level is called the "Canada-Denmark Treaty Negotiation" and that is a negotiation on routing, marine routing through Baffin Bay and Davis Strait and that is chaired by External Affairs. The other method of negotiation and study is the Arctic Pilot Project working group which has government officials as well as Danish and Home Rule officials on that committee. I am sure you are aware on -- I think it is -- March 4th the Greenlanders are coming to present policy evidence in phase one of the National Energy Board hearings.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Tologanak.

HON. KANE TOLOGANAK: What about the Canadian Inuit -- trying to prevent them from giving testimony during the policy phase of the National Energy Board hearings?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes. We felt that in the second phase -- in the National Energy Board order that established the hearings, it was the intention of the board to hear detailed evidence on environmental and socio-economic or northern matters during the second phase, so we had prepared our witnesses and evidence in that time frame. So we are certainly not against and we do encourage evidence by northerners. Another point that I think should be made is that we also wanted to have that evidence heard in the North where a broader population could take part in the hearings.

CHAIRMAN (Mr. Fraser): Thank you. Any further questions? Mr. MacQuarrie.

Transportation Hazards

MR. MacQUARRIE: You did say that one reason you feel the project might well go ahead is that what you are delivering is a non-pollutant. I would ask you for a further explanation as to why this cargo is non-pollutant. Would you also address the question then of the possible danger of explosions or fires in the transportation and working all along the route with natural gas and liquefied natural gas?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Chairman, I will handle that one. We talk about natural gas as being non-pollutant in the sense that if for whatever reason a tanker sinks, the cargo which is in a liquefied state would, if the tank is ruptured, go into a gaseous state rather quickly. As a gas, natural gas rises in the air. It does not leave any so-called after-effect, residual effect. We are more familiar with pipelines and when a pipeline ruptures, as it tends to do from time to time, the gas is simply vented into the air and it is not recognized in the scientific field as a pollutant. So that is the reason we talk about natural gas as an anti-pollutant and we suggest that the pilot project is probably the best one to test the feasibility of moving energy out of the High Arctic.

CHAIRMAN (Mr. Fraser): Thank you. Mr. MacQuarrie, have you another question?

MR. MACQUARRIE: I have but he did not finish answering that with respect to, is there danger from explosion or fire in this kind of activity?

CHAIRMAN (Mr. Fraser): Mr. Abercrombie.

MR. ABERCROMBIE: Yes, this has been a matter of concern right from the beginning and the concern really is this. The movement of LNG throughout the world has been going on for the last 15 or 20 years and there simply has not been an experience that we can rely on in terms of what happens if a ship sinks. There has not been an LNG carrier sink. There has not been a collision between two LNG carriers. All the research that we have done indicates that the probability of a major disaster, for example, is extremely low.

CHAIRMAN (Mr. Fraser): Thank you.

MR. ABERCROMBIE: Mr. Chairman, Mr. Bruchet would just like to add a couple of comments if he might to complete that answer.

CHAIRMAN (Mr. Fraser): Thank you. Go ahead, Mr. Bruchet.

MR. BRUCHET: Yes, you noted in the slide presentation under the regulatory slide that the Arctic Pilot Project submitted a full safety document that addressed these issues of cloud dispersion, worst accident scenarios, etc. and that was submitted to the Ministry of Transport. They feel that our safety documents are quite adequate, not only in the northern component but related to the southern terminal. So it is within the mandate of the Ministry of Transport to regulate.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Bruchet. Mr. MacQuarrie.

MR. MACQUARRIE: I gather that in the event of something like that, it would be contained to an immediate area, anyway. You would not have effects that spread great distances.

#### Energy For Northern Communities

My other question is with respect to alternate sources of energy for northern communities, which is something that we are very interested in and you did refer to it in your presentation. You said a lot of the right things, as a matter of fact. We will have to determine to what extent what is being said is backed up with action eventually. At any rate, with respect to that one, we would desire it very much, I am sure, if the project were to go ahead, but it is easy to say that that is something that is being looked at. What are the real possibilities of Arctic communities being able to take advantage? Has that been assessed yet?



CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: Well, I know, Mr. Chairman, that when you are making application and doing many studies words tend to be quite cheap. I think the best way to answer that question is maybe to refer to the companies involved here. For example, the company I am involved with, NOVA, has been working on building natural gas pipelines from the North, including the Alaska Highway pipeline, and back in the early 1970s we made commitments to this Assembly and to the National Energy Board, when the same concerns were expressed regarding local needs for energy, reasonably priced, that we would as a policy connect all communities along the right-of-way of the pipeline. That included Yellowknife, which meant a long lateral from the pipeline as it moved past Fort Simpson, in the case of the Mackenzie Valley pipeline, and, of course, the communities of Fort Simpson, Wrigley, Fort Good Hope, Fort Norman -- these communities would have been connected.

In the case of the Arctic Pilot Project it is a little more complex, in the sense that we are dealing here with LNG, which is a liquid at, I believe, minus 162 degrees Celsius -- it becomes a liquid. It has a density of 600 to one. It is a little more complex to think in terms of delivering small quantities of LNG to Resolute Bay, but we are committed through this research program to look at it. We are all in the energy business. We have looked at such things as converting natural gas to electricity and shipping it in that form rather than shipping it in a gaseous form. We have looked at converting natural gas into methanol, which is an ideal fuel. The problems there are the tremendous capital cost of developing, say, a methanol plant. There is nobody on Melville Island, where there is a lot of natural gas which is easy to tap into -- Panarctic camp is using natural gas in a simple flow line from a well.

I think the answer -- and we are going to study it -- lies somewhere in the area of the ships that are moving back and forth all year long. They are large ships. They are ships that can withstand hitting an iceberg at full speed and still not damage the containment system. So, they are safe ships -- and using these ships to bring back the gasoline and diesel fuel from the South. You may say, well, bringing diesel fuel back from the South in itself could cause a risk in terms of a ship sinking and diesel fuel getting under the ice. I think the safety of these ships in bringing back small quantities of diesel fuel is something that I do not think we have to worry about, but we have a long way to go in this area and we have committed to spend \$200 million in part to solve this problem.

CHAIRMAN (Mr. Fraser): Thank you very much, Mr. Abercrombie. Ms Cournoyea.

#### Stance On Land Claims

MS COURNOYEA: Mr. Chairman, just to make a statement to our guests, that in looking at your slide projections here it always seems to me that we are going through reruns and it does not matter which industrial development wishes to move into the Arctic, the same process is used with fancy pamphlets, slide projections and presumed ways of dealing with the situation.

However, we have one real situation here in the Northwest Territories and that is the issue of land claims, the sovereignty and true ownership of the land and its resources and how that is going to be dispersed to the aboriginal people of the Northwest Territories -- not all Canadians, but the aboriginal people. Has your company ever gone to the federal government and taken a political position and said "We want you to settle those claims before we proceed"? Have you ever taken that political stance, to say you will not take part in this development unless those things are seen to first, so that you will be dealing with the real people in that area? Has your company done that? When did they do that and can we see some evidence that you have proceeded with that kind of political pressure on behalf of the native people?



CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Chairman, I will answer that question this way. Yes, we have gone to the government on many occasions and expressed an interest in seeing the whole land claims issue settled. We have not said that we would not go ahead with the project until the land claims have been settled. We recognize as a company involved in these types of projects that we simply cannot -- are not party to that negotiation. That is between the native groups, the Inuit, and the federal government. We take the position, I think regularly, that we state whenever we have the opportunity, we would like to see the settlement take place. Our reason for that as a private company is simply that we know how difficult it is to proceed with a high risk, large investment project when there is -- the peoples in the areas that are close to the projects, where there is dissatisfaction.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Abercrombie. Ms Cournoyea.

Presence Prejudicial To Land Claims

MS COURNOYEA: Well, even that is a repetition of everything I have ever heard from any of the companies, but it seems to me that the company in itself, in moving into the Northwest Territories, in moving into stated claim areas, is prejudicial to the claims by virtue of it being there, claiming sovereignty for Canada or another company. I know that everybody always goes and says they show an interest to the federal government to settle these outstanding issues, but they are not a party to it; but you are a party to it, because you are prejudicing those claims right now by virtue of the fact that you are in there. I do not believe that any company should just show an interest, because what you are doing, like Dome/Canmar, like every other oil and gas industry, you are laying your claim. You have your own claim. In terms of Dome/Canmar, they presented their own land claim to the federal government -- vis-à-vis the COPE position -- on what they want to see. So, you really are placing your claim to the areas where there are other claims of aboriginal people. So, you may show an interest, you might take that public position saying, "Well, we sort of went there and said we were very interested to see it settled", but that is not good enough. At what point in time does your company or another company make it a stand to insist and join forces with those associations and settle the claim instead of saying that you are not a party to it, because indeed and in fact you are a party to it by virtue of making that prejudice in that area? So, you cannot say that you are not.

On top of that, when you move into those areas you receive a great deal of remuneration and incentive from the federal government. You are spending, apparently, \$200 million on research to show. Fine, but to me, I think that research is a little bit cloudy, because you want to show your case. Even this territorial government, when they want to present a case and even want to establish quotas for polar bear, we have to cry and beg for a few thousand dollars just to go and see if we can justify those quotas. Why is it then that a company of your magnitude -- Petro-Canada, which is a Canadian company and is supportive of Canada and the fact that the Inuit were the ones there who showed sovereignty in the first place, to allow you to be here now -- why are they always in the position of second-class citizens? You are always putting the Inuit in a position where they deal at a second-class level. They spend all their energies trying to get a measly \$30,000 to show you their case and what are they battling against? Does your company really feel that they have done as much as they could, that they took as strong a stance as they feel that is necessary to settle that claim, or am I being suspicious in feeling that you do not intend to and you really do not care about it and it is just, you know, platitudes?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

Transportation Interests Only

MR. ABERCROMBIE: Well, I am not sure I have too much more to add. I guess I am going to have some difficulty with this matter of first, second and third claim. I think I would take the position that the federal government, who have represented jurisdiction in the North, have as early as 1961, I believe, sold certain mineral rights and that our company does not have any oil and gas interests in the Arctic. We are simply in it for the development of a transportation system, which is our business. We do not feel that we are prejudicing the Inuit by virtue of our being there. The mineral rights were sold long before we came there. All I can say is that we really do want to see the claims settled at the earliest possible time. This is a private, selfish reason. The risk of putting a project together and implementing it in this kind of project is very high and the risk increases with the degree of dissatisfaction.

With respect to the other matters, apart from the claims, that we can do, I think we have demonstrated over the years that we are sincere when we talk about employment programs. Our company does have a number of native programs in Alberta, which give preference and priority to native groups over, say, white contractors. We did take a lot of natives, both Indian and Inuit from the North in the early 1970s down to Alberta to train them, in the interest of maximizing native employment in the North. Yes, we are serious in seeing these people, on whom -- the impact will be great, the greatest in terms of developing pipelines or pilot projects -- we would like to see them brought into the mainstream in some meaningful way and we are certainly dedicated to doing what we can. But I have to go back and say that we do not think we can do very much more than we have done in terms of settling the land claims.

CHAIRMAN (Mr. Fraser): Thank you. Ms Cournoyea. I do not see any other Members with their hands up so you go ahead.

MS COURNOYEA: The gentleman said that his company was only the transportation carrier, yet his company is in a coalition with the other companies so I would like to hear from Petro-Canada, from Dome in terms of the question that I put toward them and that was, what did they do about it, when did they do it and how did they address the issue with the federal government in terms of supporting the settlement of claims?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: I believe Ms Cournoyea asked for both Petro-Canada's position and Dome's and I will ask Doug Bruchet to start off on behalf of Petro-Canada.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Well, the Petro-Canada position is basically the same as NOVA and that is that we support the early resolution of land claims. We have been told that the negotiation on those land claims is between the Inuit and the Government of Canada and, as I say, our position is the same as NOVA's.

MR. WETHERALL: Mr. Chairman, I am with Dome. I would have to say that our feeling on the matter is identical to Petro-Canada and NOVA. We obviously support the resolution of the aboriginal rights at the earliest possible moment for the same reasons. It is very difficult to put a project together if you have a number of outstanding issues and it is obviously in the best interests of everybody to get the problem resolved.

CHAIRMAN (Mr. Fraser): Thank you. Any further questions? Ms Cournoyea.



Presentation To Federal Government On Land Claims

MS COURNOYEA: Mr. Chairman, I would like to have my question answered. I realize that they are re-stating their position that they would like to see this settled in the best interest and there was a statement made that they had made overtures to the government showing that interest. I want to know when they did it, how did they do it, and you know, what was exactly their position when they went to the federal government.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Mr. Abercrombie.

MR. ABERCROMBIE: Ms Cournoyea and Mr. Chairman, I do not have in front of me references as to the times we stated it either verbally or in writing but I would be prepared to research that. I am sure there is evidence in our company of presentations made to various committees in Ottawa, in the North and here, and all I can do is promise within the next week or 10 days to supply a list and copies of those references.

CHAIRMAN (Mr. Fraser): Thank you. I do not see any other Members indicating they want to talk so I am just going to let the ones that have their hand up go ahead and talk. Ms Cournoyea, have you got your question answered yet?

MS COURNOYEA: Well, yes I have my question answered and I feel that the answer to the question -- they have done absolutely nothing and the general position of this company is that they are interested in forwarding their own land claim because that is -- you know, it is the same story as we go along, that technically they are in the right because they do not really want to be involved with it. The degree of involvement that I am interested in is whether they had ever submitted something technically solid to the federal government saying "We will not go ahead until these things are resolved." Did they ever go to any of the native associations offering to join them, finance them, back them, to get this issue resolved so that your company can have that safe venture into the North? That is the question I would like answered.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Mr. Abercrombie.

MR. ABERCROMBIE: Well, clearly we have not gone and said -- and joined any native organization, supporting them in their confrontation with the federal government nor could we, in our view. In the case of major projects such as we are talking about, we have to have the support of both the federal government and the native groups and to take issue on either side, or support either side and fund them would put us in an impossible position. We have not gone to the federal government in any of our submissions and given them a presentation on land claims. We simply -- I cannot really say it any more. We say simply that we want them settled and we tell all levels of government that we would like to see them settled, but we have stated, and it has been confirmed, that we do not have the power, the jurisdiction to become a party to those settlements.

CHAIRMAN (Mr. Fraser): Thank you. We have an Inuktitut-speaking Member next if you want to put your earpieces on. I think it is channel four.  
Mr. Evaluarjuk.

Breeding Grounds And Migration Routes Of Marine Mammals

MR. EVALUARJUK: (Translation) Mr. Chairman, I would like to ask one question. When he made a reply to Mr. William Noah that they would try and avoid the areas that were the breeding grounds for marine mammals -- if you go across Lancaster Sound -- we are all aware that the Lancaster Sound area, around Pond Inlet, has shallow water and also in the main channel we have a lot of marine mammals. If you plan to use that route, how do you plan to stay away from the migration routes and the breeding grounds of the marine mammals? It has been said that many marine mammals breed in Lancaster Sound. If you do try to stay away from the breeding grounds and the migration routes of the marine mammals, how do you plan to cross Lancaster Sound avoiding all that?



CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Bruchet will answer that, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Mr. Chairman, as a result of the environmental hearings in April of 1980 that were held in the North, the Arctic Pilot Project, as I mentioned before, put together an integrated route analysis and at the time of the EARP hearings in 1980, we were in fact using the south Devon lead or following the line of least resistance through the ice. Since then we have -- at the same time realizing that in fact the marine mammals migrating up into Lancaster Sound also utilize those open leads so we have moved now out into the centre of Lancaster Sound. We have designated or specified breeding areas which are mainly in ice -- land-fast ice. We are not transiting into land-fast ice at all and this document that we have filed is a document that will evolve with the knowledge that the project gains as it moves from year to year.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Evaluarjuk.

MR. EVALUARJUK: (Translation) Thank you, Mr. Chairman. One more question I would like to ask is, you have had many hearings in Pond Inlet and Arctic Bay and Resolute. You have had public hearings with those communities. Have those three communities concerned expressed anything about what you plan to do? Do they oppose it or do they accept it? I do not accept it.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: Again, Mr. Bruchet, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. Bruchet.

MR. BRUCHET: I think at the time of the EARP hearings -- and you can check the transcripts -- there was a mixture of opposition and support for the project. I think that politically now the Inuit Tapirisat and the Baffin Regional Inuit Association oppose the project on grounds of land claims and on grounds of environment.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Bruchet. Mr. Pudluk.

Open Water A Barrier To Hunters

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I have spoken with the industrial representatives many times. I have spoken with them before so there is nothing more that I could add now. I would just say again, as I mentioned before, that they want to make a pipeline underground. I oppose that totally. I have asked this question several times but no straightforward answer was ever given to me. I do not think you have a reply for my question at this time as yet. The alternative route is going to be passing through the Resolute area not too far from my settlement. It will be passing through Somerset Island. We have asked many times -- the hunters in Resolute Bay have to cross the ocean to hunt on Somerset Island. Our concern was that when they use the Somerset route, it will be open water. We want to know how the hunters will be able to cross that to go hunting on Somerset Island. Mr. Bruchet was going to be looking at this issue. Do you have an answer now, Mr. Bruchet?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes, the policy commitment of the Arctic Pilot Project is that the hunters will not be prevented from crossing from Resolute Bay to Somerset Island. We have looked at many ways of crossing that ice. We are currently using the Kigoriak, the Dome research ship in the Western Arctic, along with representatives

of the four Arctic communities in the Eastern Arctic to look at ways of crossing that ice. We have looked at such things as a modified freighter canoe. We are doing an experiment now which is something called an "Archimedean screw" -- I do not know if there is a translation for that -- it is a vehicle that can move across rough ice as well as through open water. The question of crossing that track is one that is important. In the spring of a year, we feel that that track in the winter months will refreeze and can hold a skidoo and a fully loaded komatik but it is a commitment that we will move the hunters across that track and we are working with the hunters and trappers in Resolute. We are looking again at resource harvest studies as to where the hunt takes place, how many times the hunters move not only out to the Lowther-Griffith area to hunt seal, but also the number of times that they cross to Somerset Island. So that is something that is under study. It is a very deep commitment. I do not know if I have answered Mr. Pudluk's question but that is the extent of what we are doing right now.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Bruchet. Mr. Pudluk, do you have another question?

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I know now from Mr. Bruchet's reply that he does not have an answer to my question. I know that when he comes to the High Arctic, he is saying that we can meet with him again and I would like to inform Mr. Bruchet that we will be asking the same question when he comes up.

We travel by skidoo. We do not have any instruments to go by when we travel. If they were going to put a safe place in the crossing, we would not be able to always go to that direction. Some of the hunters may want to cross the safe area but we do not have any instruments or mechanics to give the right direction. Many skidoos might come into dangerous areas trying to cross. That is all I wanted to say.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. Mr. Kilabuk.

MR. KILABUK: (Translation) Mr. Chairman, I have two questions. I do not think that they have been thought of by industry. I do not think it has been included in their studies or whatever. If you will be going through Lancaster Sound -- if you are planning to cross Lancaster Sound where there is a lot of game -- before you cross Lancaster Sound, have you thought to have skidoos and local people check the area to make sure that you are not harming any animals in the way? Have you thought of that?

CHAIRMAN (Mr. Fraser): Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Bruchet will answer that, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes, we have and I think that is a very good recommendation. We would be doing that. We would be utilizing local hunters and trappers before the ship moves.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Bruchet. Mr. Kilabuk.

#### Marine Mammals Protected By International Agreement

MR. KILABUK: (Translation) Mr. Chairman, the second question I have -- I do not know exactly how to put this but the marine mammals are protected by international agreement. If you start using that route and the marine mammals start leaving that area, the breeding grounds, would the international agreement interfere if you were interfering with the marine life in Lancaster Sound?



CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes, both the Arctic Waters Pollution Prevention Act and the Arctic Waters Navigational Act are instruments that the government can use to protect marine mammals. I might add that we comply with both of those acts and in fact exceed those acts. The EARP panel recommended a Lancaster Sound control authority chaired by the Ministry of Transport and along with that, an advisory committee on environmental and socio-economic related programs and we are in support of that. We are working with both the Ministry of Transport and the various government departments, including the Government of the Northwest Territories, in looking at various studies and programs that will take place between now and when the project starts and during project operation.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Bruchet. Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman. The other Members have brought out some of the concerns that the entire Legislature has. Ms Cournoyea dealt with land claims; others have talked about the environment and our concerns there, certainly in greater detail. Some have talked about the direct problems that might arise with respect to hunters and trappers.

#### We Do Not Own Or Manage Our Land Or Resources

There are other reasons, I think, that we feel fairly vulnerable as a government which is really not the type of government that you may be familiar with. We do not have the responsibility for the resources. We neither own nor manage non-renewable resources. Neither do we own or manage the land and that is part and parcel now of the whole land claims discussions, but it is also part and parcel of the evolution of the North to responsible government and hopefully sometime in the future to provincehood.

Some of the other reasons that we are very concerned -- one might be that we do not necessarily feel comfortable being experimented on and I can -- with respect to your pilot project, and I can relate that back. Some of you may come from Ontario and I can relate that back to a small Ontario community that was in the news recently when it said "Look, we do not want you to bring that fuel that has been taken from nuclear reactors and deposit it close to our community as a pilot project and how to handle the disposal of this thing." So they were in the news saying "We do not wish to be experimented on." Well, the same could be applied to certain people in the North. They feel very uncomfortable with the fact that we do not know what might happen if two LNG tankers collide or if an oil tanker sinks, understanding that at some point we may have oil tankers going through the LNG tanker route.

Another very emotional reason is much like the western Canada feeling of protectionism over their resources. We feel that some day the resources may be turned over to the people of the North as has happened as provinces were put together in the South, as provinces evolved in the South. We know that this gas is really not needed right now in terms of Canada and that really what is happening is this gas will go into eastern markets to allow the West to sell its gas to the South. That is very difficult for us as a government that has its eyes on that gas for the future -- and we may be talking about 100 years in the future, but for the future -- that is very difficult for us to rationalize.

Another very large concern is the fact that we are very nervous about oil tankers in the North and we know -- you have said earlier that this pilot project is a forerunner for the removal of oil and minerals. We know that minerals are now being extracted in the High Arctic and being stored and shipped out and will be shipped out in the summer season so that we know there is a method to accommodate minerals that could be an alternative to year round transportation. So we are very nervous that this really is a reason just simply to get the oil out of the North and given our feeling about the resource, given our feeling about potential environmental damage, we are very nervous about that.



#### Northern Participation Not Proved In Past Experience

Finally, there is the whole question of northern participation in the actual projects themselves and it is fine to say northerners will, wherever possible, receive jobs and business opportunities, but our experience has not been that. Contracts are made so large that our small businessmen find it extremely difficult to bid on them, the specifications are made so that our local businessmen, and in fact, even Canadian businessmen, find it difficult to bid on them and, therefore, a large amount of the business even goes into the United States.

Jobs -- well, because there is a need for highly skilled people in the oil and gas industry -- and we heard an example of that just recently when the oil rig went down in the offshore waters of Newfoundland and someone from industry came on and said, "Well, maybe all those people would not have died if we had not had, and were not forced by the Newfoundland government, to use inexperienced and unskilled Newfoundlanders." So, what is the official position of the company there? It is the unskilled labourers, the Newfoundlanders, who might have been responsible for their own deaths and that makes me very, very nervous about supporting this project on the basis that northerners are going to get jobs and business opportunities, because the experience to date has not necessarily been that way. Now, you know, your Arctic Pilot Project people might be different than what our experience has shown, but I am just trying to relate to you what we have experienced in the past.

Now, with respect to northern participation, I am aware that the Inuvialuit Development Corporation recently made a proposal for equity participation to Petro-Canada. Perhaps a representative from Petro-Canada can respond to this. Nearly one and a half or two months ago this presentation was made I guess on the understanding that it was without prejudice to the whole land claims issue and to any political position that COPE or ITC might have, but anticipating that because this project will likely go ahead anyway. Can you give, you know, an indication whether this equity participation is being taken seriously and whether the company is going to include northern groups in the project itself and is going to negotiate and sit down at the table to deal with equity participation with these groups? Can you respond first to the things that I have said and secondly to that direct question on equity participation?

CHAIRMAN (Mr. Fraser): Thank you, Mrs. Sorensen. That is a pretty lengthy speech there. I do not know if they got all the questions. Did you get all the questions? Go ahead, Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Chairman, I was listening very carefully to Mrs. Sorensen's remarks and I think she was expressing a number of concerns on behalf of the northerners based on the experience they have had, I presume, over the last 25 to 30 years in such things as employment, participation of businesses, concerns about environment, the concerns about experimenting in the North and, finally, about equity participation, I believe she said, in the project. I am trying to give an answer which may answer a number of her questions and concerns. I think a lot of things have changed in the last 10 to 15 years, which is the period when most megaprojects, as we now call them, have been conceived and executed and that is the same period when environment became a national and international issue which theretofore was not taken into account at all. I think there has been far more interaction between citizen groups, much more involvement by government in terms of regulation and control of companies, of industries.

#### Employment Of Local People Demonstrated

I would answer it also this way, -- do we mean what we say about employment, hiring people, giving first priority, first opportunity to the local groups? As I said, words are cheap. I suggest that you have to look behind these words,

at the companies we represent and the programs that they have been involved with over the last 10 years. There have been a lot of them by our company, by Dome, by Petro-Canada and I think there has been some success. They have not been easy, but there has been some success. I know of two or three -- they were not Inuit, they were northern Indians from above 60 -- who we have working in Alberta on our system that were brought down during a training program. These people are in senior highly technical operator positions. These are senior jobs in our system and it has taken them five years to reach that level, but they are there and they are doing a good job.

I could talk about 20 contracts that we have given over the last five years to native groups in the province of Alberta, which were used for clearing right of way. The native groups have a priority in all this particular type of work and we are trying now to go up to the next level and develop transfer technology and develop skills at that level.

I think you would have to look at Dome, the way they have handled themselves, and I am not familiar with it, in the Beaufort Sea -- how they dealt with the local people. How have they attempted to integrate them into the employment? You would have to look at Panarctic and how they have dealt with their particular operation, but I think my point is this, that there has been, I think, a shift in emphasis. I think we have to now -- whether we like to or not, we are obliged to specifically integrate into these projects local people, which is a policy statement by the federal government. To be successful in our application we have to demonstrate very clearly that this is a commitment.

On the question of equity in the Arctic Pilot Project, I do not think I am really up-to-date, Mrs. Sorensen. Maybe I could refer that to Doug Bruchet, as to what you are referring to. I can just speak for our own company and I will speak for the project, that we have always been open on the question of equity, but how that has been interpolated into something specific, I do not know.

MR. BRUCHET: Mrs. Sorensen, you mentioned a proposal from -- that is the people from Cambridge Bay?

CHAIRMAN (Mr. Fraser): Thank you. Mrs. Sorensen.

#### Not Aware Of Equity Participation Proposal

MRS. SORENSEN: It was a proposal from the Inuvialuit Development Corporation, which is situated in Inuvik, and it was for participation in the project itself, not for, you know, just little jobs like clearing the right of way or things like that, but equity participation. I notice you have, you know, Petro-Canada 37.5 per cent, NOVA 25 per cent, Dome 20 per cent, Melville Shipping company 17.5 per cent. Well, this was a proposal for that type of equity participation and I guess you are not aware of it and this is part of our problem. You see, here we have a corporation that has sent in a proposal and you have come to the North and it is obviously a way of getting meaningful participation from native people in something that is as major as this. That is the only way that it is ever going to be even accepted up here at all and you do not even know about it and this surprises me.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: No, I am not familiar with that letter. If you have any details I would certainly like to get them from you. In principle we are in favour of equity. We are in favour of equity in terms of ownership in the project or by virtue of ownership of accommodations or a piece of that project. We support the involvement in terms of management on our committees. We have gone to great lengths to include local people in the Lancaster Sound area on reviewing all our documents. We have been up there many times. So, in principle I support what you are saying. I think that that is probably the way that most projects are evolving today, is the offering of equity.



Coming back to your question on the fact that northerners are usually left out of large-scale development because the bid packages are too large or that they are not informed -- you know, I guess we think we are different. We have created a northern procurement and business development policy. We have formed a committee in Yellowknife that is looking at how one devolves or evolves or distributes information on all the various business development aspects of the project. We are in the process of putting together a vendor inventory or an inventory of northern businesses, in conjunction with the Government of the Northwest Territories. We are looking at scaling down the bid packages so that they can be looked at by local businesses. In the research and development area we are looking at ways of creating new companies whereby there should be no reason why the people in Pond Inlet should not be able to form a joint venture with, for example, LGL Ltd., our major environmental consultants out of Toronto. So, we are looking at the total impact on the project, the total benefit and we think that with the consultation that has gone on in the past, the commitment to work with various government committees, the territorial government committees, that we will arrive at a package that really maximizes northern benefit.

CHAIRMAN (Mr. Fraser): Thank you. Mrs. Sorensen.

MRS. SORENSEN: Mr. Chairman, I would like to spend a little bit of time and perhaps explore with the witnesses the whole business of pipelines versus tanker routes.

#### More Benefits From Pipelines Than Tankers

We know that there is not a need right now for the gas and, given our concern about the possibility that if the LNG tankers open up that route then it allows for oil tankers to also move across that area, I guess I would tend to personally support pipelines over tankers, but for more reasons than just that. There is an economic reason for supporting pipelines. I told you earlier that we neither manage or own our resources, nor do we manage or own the land, it is crown land up here -- but we do have the right, as a government, to tax property and therefore any pipeline that would cross the land could be taxed by our government, if it were in an area that we as a government could tax, or by a land claims group if that area had been designated lands for the purposes of land claims, should that claim be settled by the time the pipeline were to be built; that would generate a fair amount of revenue for us.

We also could see a pipeline, for instance, as being able to generate much more employment for our people, long-term employment for our people, than ever would a tanker operation, and employment is a very important aspect of northern living. We have a lot of unemployed people and a great many young people who are up and coming, because our population is expanding very quickly, and I think very close to or more than 50 per cent of our population are now young people, as opposed to over 30. We would have more legislative control over the jobs and, of course, the taxation, and the business and job opportunities, because the pipeline would be passing through the Northwest Territories. Finally, we would have access to gas, spur lines if it were gas -- I am not sure how you would operate with oil, but certainly gas spur lines -- as they are talking about in the Alaska pipeline.

Given that we do not anticipate ownership of resources, and we are just getting into any discussion of revenue sharing with the federal government, give us a reason why we should come out and support the Arctic Pilot Project, because it is just not separating out the land claims issue, separating out the environmental issue. It is just not in our best interests to have tankers removing the resources when we could gain so much more -- and I admit there are dollar signs in my eyes when I say that -- we could gain so much more if there were pipelines.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.



MR. ABERCROMBIE: Well, I will just deal with them in pieces, here. Number one, employment; tanker versus pipeline. I am not sure that there is a significant difference in terms of operating personnel between a pipeline and what we are proposing in the Arctic Pilot Project. The pipelines are not big employers of people, they are very capital-intensive, and I forget what we used to estimate for the Mackenzie Valley gas pipeline, but we were talking about a few hundred, not several thousand. They are very good jobs, they are good in terms of learning, it is high technology.

Both Pipeline And Tanker Needed

With respect to an oil pipeline, a gas pipeline being preferential to movement by tanker, I do not think it is a simple comparison, one to the other. In the case of the Arctic Pilot Project, we are dealing with a transportation system from the High Arctic, which does not depend on pipelines across open spaces of water, which have risk associated with it. I think pipelines cannot get all of the job done in terms of exploitation of Arctic resources. Eventually ships will have to be used. You cannot pipeline iron ore, nor gold. It has to be moved by carrier. I cannot really talk about Mackenzie Valley or Mackenzie Delta gas or oil, because that was dealt with several years ago and there is clearly a moratorium on building a major pipeline along the valley from the Mackenzie Delta.

What of the tax base? Yes, pipelines do offer a tax base or tax income through the municipalities or areas that they traverse, and there will be a different form, a different flow of tax revenue, pipeline vis-à-vis the tanker, and I think there eventually will be a pipeline in this area as and when these various issues are cleared away. In the end, I think the North will be developed with all forms of transportation; tankers, pipelines -- I do not see aviation being a major participant in terms of carrying out minerals, but I would not bet against it, ultimately.

So why should you opt for the Arctic Pilot Project, the tanker project, when what you may want is a pipeline? Specifically, I am not sure. I do not think one is competing with the other, in terms of the Melville Island gas. I would just like Mr. Bruchet to add a couple of comments, if you do not mind.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Bruchet.

MR. BRUCHET: Yes. I think, when you say pipeline versus Arctic Pilot Project, when you say "pipeline" you are talking about probably 10 times the impact to environmental and socio-economic -- I think Mr. Abercrombie covered off the fact that when you look at the Arctic Islands reserves, it is highly unlikely that those reserves will be accessed by pipeline. I think that, when you talk pipeline and large diameter pipe, you are committing Canada to long-term exports, long-term large volume exports.

Regarding employment, I think the Arctic Pilot Project offers both short-term and long-term. We have a 20 year research and development program that moves away from that "boom-bust" -- that high cycle of construction and low cycle of operations. I think we offer both; that you may not find on a pipeline.

CHAIRMAN (Mr. Fraser): Thank you very much. We will take a 15 minute coffee break, and I have Mr. Curley on the first of the list.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): Atiigo, atiigo. Is there anybody in the coffee room? See if you can find somebody else out there. The Chair recognizes a quorum. Mr. Curley.

MR. CURLEY: Thank you, Mr. Chairman. I wanted to make a brief statement and then one or two questions. I was interested in the responses that the witnesses have to provide to the Assembly here. You know, I am very intrigued with the title of the project: Arctic Pilot Project. I wonder how long we are going to be experimenting with this pilot project, or whether or not you have any intention to change the title once regulatory proceedings have been approved. You probably have done a very good selling job by calling it a "pilot project", when in fact I do not think it is really a pilot project. I think it is going to open a whole new interest in Arctic navigation. I think that is really what it is. I do not think it is a pilot project, and I do not want to mislead the public in the North that it is, really, a pilot project.

The other thing that I am interested in is that it says here in the marketing section of the brief that you handed out to the Members -- it states, and I quote: "If regulatory approval for the project is received early in 1981, the Arctic Pilot Project intends to begin delivering Arctic gas to eastern Canadian consumers in 1986. The project will thereby provide an alternate competitive source of Canadian energy in a region which is currently totally dependent on expensive imported oil."

So, having said that, I am also intrigued to read that the Arctic Pilot Project came to have only major interests in satisfying that part of the Arctic where the communities, particularly Resolute Bay, Grise Fiord, Arctic Bay and Pond Inlet, are concerned. You know, in the socio-economic section you state that APP is "...involved in socio-economic evaluation of the effects of the Arctic Pilot Project on residents".

#### Project A Concern To All The Nation

I am comparing these two. You know, you say this source of energy is going to be very important for that Canadian area, where there is a heavy reliance on imported oil, so what I am trying to justify is that this is not only a regional interests project, but in the socio-economic considerations we treat it as though, you know -- you went on to say in the last part of the socio-economic considerations page, on page 10, the last sentence says: "The partners in the APP believe that a close working liaison with the residents of these Arctic communities will yield valuable and mutually beneficial experience."

I guess what I wanted to point out to you is, I believe this project is of concern to the nation, not only to one small group of communities in the vicinity, but what you seem to be saying to the committee is, "Look, we are only interested in the socio-economic concerns of these four communities, and thereby we are going to consult with the hunters' and trappers' association and so on, and try to satisfy their concerns with respect to environment and wildlife." I think you would be misleading the Assembly by attempting to continue to stick to that position, because, after all, this is a project which is of national interest, if you are serious about what you say, but in your public relations -- PR -- you people are telling us, "Look, we are mainly interested in providing participation and possible agreements with those four communities, because we will attempt to provide a maximum of employment opportunities for these people." But I say to you that is misleading the Canadian public.

#### Involving All Areas Of The Country In Project Planning

This issue is of national interest. It is not and should not be regional and everybody, including your public relations people, should get rid of this issue of regionalism, because you have just stated in that part on marketing that



if you receive regulatory approval for the project the Arctic Pilot Project intends to begin delivering Arctic gas to eastern Canadian consumers, possibly delivered through the mode of pipeline and so on to other parts of the area as well. What I am saying is this is going to be an energy source for Canadians, not so much for the other countries or the United States. So I do not want to be misled by your public relations specialist that only the four communities in the eastern Arctic should be the ones that you should pay any attention to because after all, all the native people, whoever they are, of this part of an area should be taken into consideration as far as employment and involvement in the project planning -- right through the stages if we mean what we say that this project is of national interest and would serve that part of an area where the energy is most needed.

So I hope I get my message across. What I am trying to prove to you is to try and have a case that you only need to pay any attention to the four communities, a project that immense should not only be concerned with the hunters' and trappers' associations here and there. That is really not going to be good enough because there is an issue of environmental consideration which is very important. I think we need to be convinced that if you really mean what you say, that you need the support of the people in that area, and you will provide benefits to those people, you are going to have to expand that vision and include this kind of institution as well as the natives and organizations and so on, whether they are from the other parts of the country or not. After all, you guys are from Calgary and you are going to be managing a resource for eastern Canada. I want to try and get that message across to you. Do not just pay attention to the people in that part of the region as far as the native lobbying is concerned. Pay respect to wherever they are from because we are not operating on a regional basis in this country so I would like to ask you whether or not you really are going to seriously consider involving them, whether they be from that area or all parts of the country. Thank you.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

#### Arctic Pilot Project Is Of National Interest

MR. ABERCROMBIE: Mr. Chairman, Mr. Curley, the impact and the relevance of this project goes far beyond those four communities. It deals with many, many institutions and should throughout Canada, including this institution, the representative of the Northwest Territories. Certainly the four communities are the ones that will receive the greatest impact and are the ones where special attention has to be paid. It is a physical environmental impact that will be felt in those four communities and I think what we have tried to address is a program where those impacts are mitigated through meetings, discussions, organizations which involve people close to the project.

They are the ones who are going to receive the impact. They are going to know more than anybody else the nature of the impact, the quantity of that impact. If we indicated in that brochure that all we are interested in is pleasing these people, then we are wrong. We did not get across the message that it is a national project. We have to meet virtually thousands of different tests, satisfy thousands of different requirements. For Canadian content requirements, we have to demonstrate that all of the material cannot be bought here because it is not available, we have to deal with the security of supply and the whole security matter in eastern Canada. Thirty-five per cent of Canada's population is dependent on offshore oil, Middle East oil, Venezuela oil, which was not available here four or five years ago.

So if we misled you, we are sorry. We think that it goes beyond those four communities but in different ways. In the case of the Canadian content, of the ships, the processing facility, that is an Ontario interest and before the NEB we have to address questions or answer questions from the Ontario interests: consuming interests, industrial interests. So it is a huge project. It is a Canadian project and one for which, if we do a good job in terms of satisfying everybody to the best of our ability in terms of employment, in terms of



environment, we may get a licence. I am not sure I answered your question but I think maybe we misled you if it came out that only those four communities should be listened to and other people should not be taken into account.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Curley.

Preference For Northern Labour

MR. CURLEY: Mr. Chairman, if you read the socio-economic section on page 10, the first statement really states, and I quote: "The APP is committed to being an industry leader in socio-economic programs. Residents of the four communities of Resolute Bay, Grise Fiord, Arctic Bay and Pond Inlet, and the surrounding area, are most closely involved in the socio-economic evaluation of the effects of the Arctic Pilot Project." So that to me is an immediately misleading statement and I think it should be taken out because this is a Canadian interest and all Canadians are interested in the effects that APP might have with respect to the environment and the surrounding areas, the wildlife and so on. I think that kind of statement is really not correct and it should not be -- it is good for the PR consideration I say but I do not think you are just saying you are marketing salesman only. I think you have to satisfy even those that are concerned with the environmental consideration.

So I want to get definite assurance. When you mean what you say, that you would attempt to provide preference for the northern labourer, do you mean to tell me that your company and employment positions and so on, the labour will not be unionized so that you do not have to have all kinds of positions and be locked with the union negotiations where northern manpower will eventually get the short end of the employment opportunities? So maybe you could be a little more specific as to how you would protect the northern preference as far as employment is concerned because I do not think it is going to be enough to say that you will attempt to hire northerners first. If you really are serious, then maybe you can give us a little more understanding on how you would satisfy the people who are interested in working in that part of the project. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. Mr. Abercrombie.

MR. ABERCROMBIE: I believe the question was for more detail on the commitment to hire northerners. Well, it is a commitment. It is one that we will stand by and one which, if there is a union -- and I know what you mean by that -- unions cannot agree for various reasons to allowing preference such as a northerner preference, but we have never given in on that point in any way of our negotiations with the union with respect to the Alaska highway line and we would -- I cannot guarantee, except that we are on record and I go on record again, that these programs, we are fully committed to carry them through and that is a statement by the project and we give preferences now in Alberta for natives in Alberta. We have a program, an objective and a program in our company where we want native employees in the same ratio as there are natives to whites, for example in the province, and that is being carried out. I do not think this is going to be a major problem in the North and I think that we have sufficient bargaining power to carry through that commitment.

CHAIRMAN (Mr. Fraser): Thank you. Supplementary, Mr. Curley.

MR. CURLEY: Mr. Chairman, I have one last question that I would like to ask. I am not sure whether we should accept the assurance that we northerners shall be treated with preference as far as job opportunities are concerned, because I am afraid that once the constitution is brought home, you will probably have good reason to hire all over the country because of the mobility rights and so on that are going to be instituted in the new constitution. I would like to be able to accept your assurance but I think I have to worry about it in spite of your statement that we should not worry about that part. Northerners have a lot to lose. You have nothing to lose. I think we should be worried about it as northerners otherwise you are going to be walking all over us which possibly

will be the case once the regulatory procedures have been dealt with. Experience shows in the North that we normally get the short end of the stick in the benefits and only then we have been beginning to get a little bit of attention and we would like to continue that momentum.

#### Possibility Of Major Shipping Accident

The other thing that I was quite amazed at was your reply to Mr. MacQuarrie's concern with respect to some possibility of a major shipwreck and whatnot and the safety issues that he was concerned with. You said "Well, we do not have to worry about that." You know, I am sure that is what was said about the Ocean Ranger when they put it down, that it was going to be able to withstand 50 foot waves and so on and all this sort of thing. You really mean to tell me that we are not going to have to worry about a possible accident with this tanker that is going to be carrying liquefied natural gas from that part?

Again I say, I think as northerners, if we are concerned with our environment and our wildlife, we are going to have to worry about that, otherwise you might end up not having a proper inspection necessary to protect the interests of the northern ecology and environment and wildlife as well. So what do you mean? Maybe you could be a little more clear in exactly why we should not have to be worrying about a possible accident with this major tanker. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. Mr. Abercrombie.

MR. ABERCROMBIE: I do not remember that I gave the impression that I suggested that you did not have to worry. I was really talking more about our concern about a tanker accident, where a tanker sinks and it causes some environmental damage. I think I said that gas goes up in the air and I suggest that it is more of a non-pollutant than, say, some other forms of energy.

No, we are worried. We always worry about an accident, an Ocean Ranger situation. What happens if two energy tankers collide? I made the point that it has not happened yet. I certainly would not make the point it is never going to happen and understanding every single effect of that. We are just saying that we are satisfied, as project sponsors, with the ship design, that it will not break up when it goes through thick ice or the containment system, the tanks that hold the LNG will not rupture when it hits an iceberg at 20 knots. So, we have reached that point of being fairly comfortable with the design, sufficient enough to put the application before the NEB. We have that sort of a level of confidence. I would not like to say that you should not be concerned. You never know everything. I think you have to look again back through the sponsors and the projects they have done. They have done many, many projects and have not had major accidents, have not caused major environmental impact. I guess I cannot really give you any more assurance than that, except that we are putting the money up for the project and we are taking the risk in terms of an accident, in terms of losing money -- at least, losing ships. We suggest that an LNG spill will not have a major effect on the environment that you live in up here.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Abercrombie. Do any other Members wish to speak? Mr. McLaughlin, you have not spoken yet.

#### Benefits To People Of The NWT

MR. McLAUGHLIN: Thank you, Mr. Chairman. I would just like to talk for a minute about what the basic benefits are going to be to people in the Northwest Territories. You are going to be supplying natural gas products to eastern Canada to maybe take the pressure off oil imports. This might allow Alberta possibly to sell some of their gas to the United States, but what are the people in the NWT going to get in regard to natural gas products? Is Petro-Canada going to deliver natural gas products like propane to all the communities in the Northwest Territories at Montreal refinery prices? What are going to be our benefits? You are going to take resources out of the Northwest Territories. Are you going to make any efforts to deliver them to us at the same price you are going to deliver them to the people in Montreal?



CHAIRMAN (Mr. Fraser): Mr. Abercrombie.

MR. ABERCROMBIE: Well, we have made certain commitments as to what we would do given approval of this project in terms of employment, in terms of joint ventures in business. So, there is the whole area of employment and I suggest that those commitments will be carried out.

Secondly, the Northwest Territories and the Yukon are resource rich areas. What we are talking about is a very thin edge of the iceberg -- that with the movement of a natural resource, natural gas, out of the High Arctic or out of the Northwest Territories, it begins a cash flow, which cash flows to the producers, to the owners, to the federal government as the royalty owners of the royalty gas -- money starts to flow and it will induce further investment. Further investment means more jobs. It means more tax base and I guess we are talking about very substantial resources, a substantial cash flow, and the beginning of an industrialized era in the Northwest Territories. We have seen it in Alberta. I am not trying to shove Alberta down your throat, but it is where I come from and my experience that in 1949 Alberta could not pay the interest on its debt. Today, Alberta is very strong, it has a very strong economic environment and I think the same prospect is open to the Northwest Territories. Will you share in the royalty? I guess that is a matter of negotiation. I think you will.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Abercrombie. Mr. McLaughlin.

MR. McLAUGHLIN: Yes. The specific question I asked, though -- Petro-Canada is obviously going to make a profit off this operation at some stage and you have retail outlets in the Northwest Territories. If you are going to be taking a natural resource out of here, why can you not deliver it in communities where you have retail outlets at the same price that people in Montreal can get it, because, you know, you are taking it from us? We are going to get no benefit. It is one of the major expenditures in the North, heating and transportation fuels and what are we going to get out of this, really?

CHAIRMAN (Mr. Fraser): Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Bruchet will answer that.

MR. BRUCHET: Well, yes. That is precisely what we are trying to arrive at with the task force that we have established with EMR, the Department of Energy, Mines and Resources and the Government of the Northwest Territories. It is to look at the technical, the economic and the transportation that would go into supplying Arctic communities with an alternative form of energy to the offshore crude that they now utilize to heat and light their homes. To sit here now and say we are committing to do that -- we do not know. We are taking it into four phases. We have terms of reference for the study group now. We are serious about it, both the Arctic Pilot Project and Petro-Canada corporately. We are serious about studying it and seeing just how it can be done.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Stewart.

#### Promoting Local Purchase

HON. DON STEWART: Thank you, Mr. Chairman. I know these presentations are always difficult, especially when we have had a little experience with what has happened. Part of your consortium is Dome. Now, Dome came into this country and indicated that they would be purchasing locally and doing many great things, the same types of things that you are speaking of. Yet history has proven that Dome, the first year of their operation, did do this, but last year they did none and we do not as a business community expect them to be doing any this year. It seems that when the machinery gets into place and big corporate structures, that either management does not control their purchasing departments or their purchasing departments decide to go their own way.



It is a constant battle in the North to try and promote local purchase. Dome was a good corporate citizen the first year that they were active. Now they are away down the list and yet they are part of the consortium where you are coming out with the same type of platitudes that Dome made and I think the people in the country have every right to be very, very suspicious. I know that purchasing departments, because of the nature of the business, are very difficult people to control, but surely, if you cannot control your own purchasing departments -- because that is what Dome in fact almost says. "Well, they should not have done that", but that is after the fact and they have done it and this continues. So, if one company the size of Dome Petroleum cannot participate and do those things that they said they were going to do, what reason have we to believe that your consortium is going to do anything any differently?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Abercrombie.

MR. ABERCROMBIE: Thank you. Would you just excuse me? I will discuss this question with my colleague. Mr. Chairman, I will try to answer that one. I am not familiar with Dome practices in the North. All I can speak for is the project. Dome came in in 1980 with a 20 per cent interest, and both Petro-Canada and ourselves, who were then the partners, before Melville came in, we backed off. Petro-Canada have 37.5 per cent, and NOVA have 25 per cent, and we therefore control the project, and I think we have -- at least we have tried to lay out very clearly our commitments, and the project is tied to those commitments. I do not know if I can raise your level of confidence in us, sir, any more than that. We will certainly do our best.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Stewart.

HON. DON STEWART: Well, it might be a good idea if Dome would clean up their act, and we might be more convinced that you people are capable of doing yours. Thank you.

CHAIRMAN (Mr. Fraser): Thank you. Any other Members wish to speak before I recognize Mrs. Sorensen? Ms Cournoyea, you had your hand up before Mrs. Sorensen. Ms Cournoyea.

Severe Disruption To Environment And Traditional Lifestyle

MS COURNOYEA: Mr. Chairman, I have two questions to put to the witnesses, and one question is: If the project was allowed to go ahead, and there was severe disruption to the traditional lifestyle and/or the environment, would they stop?

CHAIRMAN (Mr. Fraser): Yes. Mr. Abercrombie.

MR. ABERCROMBIE: Mr. Chairman, Ms Cournoyea, I was talking to the chairman of the executive committee, Mr. Wolcott, and he was asked to answer a similar question in Ottawa, and I think I support his answer, which was, it is very difficult, once you get a project together, to stop it. I think we would do it this way, if there would be an impact of some kind identified, we would hope to have the various organizations that we are putting forward, which organizations involve not only Arctic Pilot Project's personnel but Inuit and government as well, and if this dialogue did not lead to the mitigation of a problem which was identified as a serious one, and if it was a major problem that simply could not be tolerated by anyone, that the project would be shut down. I think the words used in Ottawa were "a holocaust", which had major damage on the environment. I suggest the project would be shut down.

CHAIRMAN (Mr. Fraser): Thank you. Ms Cournoyea.

Motion To Encourage Arctic Pilot Project Members To Support Native Land Claims

MS COURNOYEA: Well, I was hoping that you would say yes, you would, unequivocally. I have a difficulty in wondering how the Arctic Pilot Project could be justified, that is, given the vast reserves of gas -- and we are talking about gas -- in other parts of Canada and in the world. I have difficulty with that, but I would like to propose a motion at this time: I move that the committee of the whole of this Legislative Assembly encourage the Arctic Pilot Project members to find ways and means to support the native claimant groups in their area of operations in their efforts to secure a just and equitable settlement of their stated aboriginal claims.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Can we get a copy of that motion, please? Thank you. The motion is in order. To the motion.

MS COURNOYEA: Mr. Chairman, I believe that the kind of discussions that we have been having with the Arctic Pilot Project witnesses are arguments that they have heard from the community level and all levels of political organizations for the native claimant groups. I am not happy with the continual answers we get, and the working around issues that normally take place when an issue should be resolved. I do not believe that any industry working in the North should feel satisfied that the issues of the just settlement of aboriginal claims should be dealt with piecemeal by moving to communities, working with hunters' and trappers' associations, to try to find a way to get around the issue. Now, I am not accusing the Arctic Pilot Project of doing that, but this is what it appears to be. We faced it with the Mackenzie Valley pipeline, with Dome, with Imperial Oil, with Gulf Oil, and now with the Arctic Pilot Project, and the same kind of presentation continues to go on. Vast amounts of money are spent to try to overturn the real issue of claims, who owns and how we are going to take part.

Justifiably, your company talks about wage employment. You must realize we have a certain number of people who will be involved with the wage employment no matter what. They will take their just place and responsible place. However, we also realize that we are part of a broader Canadian society, and we are a small group of people in the Arctic. Our views are sometimes very difficult to get across to the Canadian public. We also appreciate Canada's problems in the economic issues that they are presently dealing with, and we also are aware and I hope, sophisticated enough to realize, that 17,000 Inuit are not a very big group of people to continually try to bring across the needs of this area. I do not believe that the southern Canadians are really into the problems of the Arctic. I believe their main concern and their main thrust is trying to become stable in terms of energy.

Now, you made a statement that you would do your best to supply an alternate energy source to the communities. That has been said many times before. For example, in the Mackenzie Valley pipeline inquiry and the Delta phase of the Berger inquiry, it was stated that this was one of the benefits, but when we got down to the critical questions of how it was going to be delivered, how it would come to the communities, the company, after at least two months of grilling, finally said that they were not prepared to support the infrastructure from the source to the community and the infrastructure within the community.

Federal Legislation Necessary

We have a basic problem in the Northwest Territories, not only with aboriginal claims but in terms of satisfying the needs of the growing communities generally. We have to negotiate with the government to try to get the funding that is necessary to meet the impact and the problems, in terms of allowing the communities to feel the benefits of opening up the country. Now, I do not purport to speak for others in the Northwest Territories, but I think their claim



and their desires are somewhat the same, but the aboriginal peoples are a small group of people, and are very easy to overcome, because Dome, for example, plans to put 10,000 people in our area. They have all the money, they seem to have all the physical pizzaz to manipulate and control federal bureaucracy. As native people we do not have that. We operate on a minimum budget with a minimum political posture, and we are always invited to sit on committees and boards. Well, it is not good enough because all we really do is feed the information to the companies and then, from your own perspective, you try to work around the issue, maybe not in neglect of our true feelings, but you do try to resolve it in other ways rather than something that would be eventually stated in federal legislation, and that is what the aboriginal people of the Northwest Territories want, something stated in federal legislation, in an act of parliament, that would define and critically detail exactly where the aboriginal people stand. Once that is done, the kind of openness that you will find will be immense, and there will be the comfortable feeling of being able to work with others in the Northwest Territories.

Willingness To Co-operate Should Be Returned

So we are facing those issues, and it is fine for you to present the pictures -- I have gone through it so many thousand times I could almost probably do a good display myself -- but, you see, I do not think it is enough for you to tell us that you really do not want to get involved with the aboriginal claims issue, and to say that it is best for you to stand back. I do not believe that. I believe that a company like yours would be a fantastic thrust if you could get together with that aboriginal claimant group, support them financially, and stand up behind them and say, "Well, we are going to help you see this through."

You see, we are faced now with companies saying, "Well, we support it in principle," but behind the scenes we see their own claims -- you know, from their own mind, their own claims going forward, and we have to justify why we want something that would supersede what you want. That kind of activity is going on all the time. Our funding is just peanuts to what you people are able to get out of the government and the kind of support that you are able to get. So trying to work around the issue is not going to resolve your problem. I believe people are not asking for so much that you cannot feel comfortable in supporting them. I believe that if you are the first group of people to come out in support of a claimant group and support them, get behind them -- if it requires a thrust with a federal agency, if it requires a thrust for funding, get it done.

I believe sincerely that your statement that you feel you have to stand back is really not justified because you are part of that Canadian economy. You want something; we want something and you are on our turf. We are willing to co-operate with you but we want some co-operation back, rather than promises and meetings and committees and task forces. I would like to have support for this motion to allow you to know that we will encourage you to take positive steps to support the native claimant groups in this area, to resolve that issue of aboriginal claims.

CHAIRMAN (Mr. Fraser): To the motion. We have a motion on the floor.

AN HON. MEMBER: Question.

Motion To Encourage Arctic Pilot Project Members To Support Native Land Claims,  
Carried

CHAIRMAN (Mr. Fraser): Question being called. All in favour? Down. Opposed? The motion was carried unanimously.

---Carried



Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman. There is no doubt in my mind that the project will proceed. It is my feeling that the hearings are more a front than anything else although I understand that valuable things are being brought forward, but I feel that the project is going to proceed. The reason I feel that is because the project probably is more in the national interest than anything else, more in terms of national defence and sovereignty than anything else will make it proceed. It is no secret that our neighbours across the Arctic Circle are arming their Arctic regions and it is no secret that in terms of defence, we are weak in the Arctic regions of Canada, that we do not have a high visibility up there and it is certainly no secret that the Americans, under the new Reagan administration, are very nervous about the fact that we are weak in the North. So I think more than anything, that combination of things will mean that your project will go ahead.

So given that, you know, it is logical that I then, as a northern politician accepting that reality, want to impress upon the proponents that one of the most important things, in addition to the settlement of land claims and revenue sharing, is a guaranteed supply of fuel for consumers in the North. When I say "consumers", I mean government consumers, I mean industry consumers, I mean the little person who is trying to operate his or her home. To give you an example, my bill for a modest sized home in Yellowknife, which is considered the banana belt of the North -- the cost to heat my home for 25 days was \$580. That is fuel, home heating fuel for 25 days in the month of January. There were a lot that were higher and there were some homes that were certainly lower. My home is not necessarily efficient in terms of insulation but in addition to that, it cost me \$114 for power and that power is generated, to a certain extent, by diesel and my furnace runs off the power. It starts, using power. That is Yellowknife. Then you go up to Frobisher Bay or a point in the High Arctic, and it is costing this government maybe as high as \$2000 a month for our social housing and for our public housing to heat and light these homes. Now, granted there are problems with poor insulation but that is not an unrealistic amount. So when we say alternate sources of fuel are really important, we are speaking from the heart, that that is really, really essential to life in the North, that it is the amount that it costs for us to live here.

#### Northerners Must Also Benefit From Arctic Gas

Now, in your book you say, and I refer to it again, but I just want to re-emphasize, on page nine you state that the project will thereby provide an alternate competitive source of Canadian energy in a region which is currently totally dependent on expensive imported oil, and you are referring to eastern Canada. Well, that is us too. We are totally dependent on expensive imported oil because not only do we have to pay for the oil itself but we pay for the transportation of that oil and then the profit is added on to that. So our cost per gallon or per litre of our fuel is astronomical and even more so the further north you go.

You go further on in your booklet to say that "The Arctic gas will be delivered and sold to eastern Canadian customers at the prevailing domestic price. Western Canadian gas which would have been pipelined east to supply this market will, instead, be exported and sold to customers in the United States at the current border price." So when I read that, all I see is the Alberta coffers swelling at the expense of the Northwest Territories and so if there is nothing in it that is productive and quantitative for the consumers of the North, then you are just not going to get the support. You know, all last week we were harping and harping on the costs that we pay up here for power which is, to a certain extent, diesel-generated and that is rising and going to continue rising and it is already beyond the scope of many consumers.

So I want you to be aware that if you can provide plants at the sites in the High Arctic that will produce alternate sources of energy that we can use to heat and light our homes or if the other method, which is to bring the diesel in by empty tanker -- if you can do that, please do it not after the project gets on board and you have everything settled, but at the same time that you bring your project on stream, that you also bring on stream for northern consumers those kinds of alternate forms of energy because we are just not going to be able to tolerate that gas going to help southern consumers when we are overburdened now by the cost of our fuel and God knows what it will be like in 1986 when you propose to get your project under way. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Was there a question in there somewhere or was it just an opening speech?

MRS. SORENSEN: An opening speech.

CHAIRMAN (Mr. Fraser): It was an opening speech. That is what I thought it was. Any other questions? Any other Members want to question the witnesses? There being no further questions, can we thank the witnesses then for their time and presentation and the slides? Thank you very much.

---Applause

What is the wish of the committee?

MR. MacQUARRIE: Carry on.

CHAIRMAN (Mr. Fraser): Report progress?

SOME HON. MEMBERS: Nay, nay!

MR. MacQUARRIE: Carry on.

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, we were dealing with the Department of Public Works yesterday. May I suggest that we continue with that?

SOME HON. MEMBERS: Agreed.

MR. CURLEY: It is a good idea.

HON. ARNOLD McCALLUM: Thank you, Tagak.

CHAIRMAN (Mr. Fraser): Mr. McCallum, do you have any witnesses you wish to bring in?

HON. ARNOLD McCALLUM: Mr. Chairman, yes. The Deputy Commissioner and the deputy minister.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Fraser): Is it agreed that we bring the Deputy Commissioner in and the deputy minister? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed



Bill 1-82(1), Appropriation Ordinance, 1982-83

Department Of Public Works

CHAIRMAN (Mr. Fraser): Is the deputy minister on his way or should we just proceed with Mr. Pilot? Carry on. We were still on general comments on page 11.01 when we reported last night, so we will continue with general comments on the DPW budget. Is it the wish of the committee that we go to detail? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Directorate, Agreed

CHAIRMAN (Mr. Fraser): Page 11.02, directorate, in the amount of \$617,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Architectural Services, Agreed

CHAIRMAN (Mr. Fraser): Page 11.03, architectural services in the amount of \$388,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Engineering Services

CHAIRMAN (Mr. Fraser): Page 11.04, engineering services, in the amount of \$220,000. Mr. Curley.

MR. CURLEY: Yes, Mr. Chairman. I have a question to the Minister with respect to sewage disposal in Rankin Inlet. The Minister and Mr. Pilot, the Deputy Commissioner, know that there is a sewer at Rankin which drains directly into the harbour and, therefore, creates pollution during the summer and so on. I am wondering whether or not the department has any plans to try and correct that problem, because not only is it a problem in the summer in terms of polluting that harbour, because the hunters and fishermen continue to use that particular harbour to unload their fishing boats and so on and these kinds of things, but also it creates a problem because where the sewer drains out into the harbour it normally creates a continuing current there and therefore the harbour continues to be pretty well open throughout the winter. There is normally even a protection established there so that ordinary citizens travelling there with their snowmobiles will not fall through. I wonder if the Minister has any plans to see if that thing could be improved in such a way that it will not create any possible health problems to the community, as well as better protection for citizens during the winter months. Thank you.

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Thank you, Mr. Chairman. I was just quickly looking in the capital planning book here to see what work was being planned for the upgrading of the sewer system in Rankin Inlet. I cannot, just hastily looking through here, locate any information on it. As Mr. Curley perhaps knows, the planning or the program for water and sewer systems comes under the Department of Local Government and if it is in their plan to have that system upgraded, the Department of Public Works will be the agency to carry out that work. I will review that information or the question that has been asked and provide an answer directly to Mr. Curley on that issue.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Curley.

MR. CURLEY: Yes, Mr. Chairman. The reason I asked the question is that it is the Department of Public Works that is responsible for design and engineering concerns of those kinds of things. What I am trying to do is to at least give you information about it, because although I have not received any direct complaints from the municipal hamlet council, ordinary citizens are concerned that this huge sewage system is polluting the local harbour and there is even a beach where people used to use it for their canoes and unloading. These days they are not even wanting to use that particular part, because -- my view is that the sewer is really too close to the shore. The reason it is close to the shore is Rankin Inlet harbour is pretty deep at that section. So therefore, I am wondering whether or not this kind of practice is really allowed? I do not know what they do in Frobisher Bay, but in Rankin Inlet it is creating quite a mess to the local harbour and whether or not the government can do something about it, whether they have any interest in protecting the environmental aspects of that harbour, I do not know, but I, as a citizen, would continue to be concerned with it, because Rankin Inlet uses that. Hunters and fishermen use that harbour and therefore, sometimes they have to unload their fish through that area. So, could you assure me that you will review it with your colleagues in the government and see what assistance could be given to the community to correct that problem?

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, we will certainly look at that situation and if corrective measures are necessary we will, in consultation with the hamlet of Rankin Inlet, develop some method to overcome the pollution or the appearance of pollution in the harbour at Rankin Inlet.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. Any further questions? Engineering services, \$220,000. Agreed? Ms Cournoyea.

#### Tuktoyaktuk Municipal Requirements

MS COURNOYEA: Mr. Chairman, I just wanted to say for the record that I have dealt with this with Mr. Parker, in terms of the three pages that we passed, just to get encouragement from Mr. Parker that the business of Tuk and the problems that arise from the architectural policy planning and guidelines and the engineering service would be resolved in terms of the municipal requirements of that community.

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: The overall planning for a community such as Tuk is becoming a major emphasis with our Department of Public Works and I can assure Ms Cournoyea that we will be working again very closely with the Department of Local Government and with the municipality in our planning for that community.

CHAIRMAN (Mr. Fraser): Ms Cournoyea.

MS COURNOYEA: Just one further question, Mr. Chairman. In the final decision making in the Department of Public Works, why was the motion of support in terms of impact requirements of Tuk really not reflected in the budget for the Department of Public Works?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, it is our desire to prepare a special Treasury Board submission to address the impact of resource development on communities such as Tuktoyaktuk and Norman Wells and not just those two communities but other communities that have a similar impact placed upon them



by resource development. We are in the process now of developing that paper and we will be going to Ottawa to seek additional capital funding to address those particular problems of those two communities in particular. The reason why it is not reflected in this budget is that the impact, as we identify it, is above and beyond the financial limitations of the territorial appropriation from the federal government and we feel that we must seek additional funding from the Department of Indian Affairs and Northern Development or from the Treasury Board to address those areas that have a high impact placed upon them by resource development.

CHAIRMAN (Mr. Fraser): Thank you. Ms Cournoyea.

MS COURNOYEA: Well, I would just like to express that the people who are affected presently and have a past effect on them are getting a little impatient waiting for a paper to be developed. I realize some communities are going to be facing the impact of development. However, I have one community in my constituency that is already facing that impact and has a backlog of items to be dealt with so the impatient attitudes that you might find in dealing with the community, I hope you will appreciate that.

Complaint To NWT Water Board Re Tuktoyaktuk Harbour

Another question. In terms of the NWT Water Board hearings on the disposal into the harbour, who will be brought to task for the problems in the Tuk harbour?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: If the design of the system was within the Department of Public Works, what you are referring to in creating the problem in Tuk harbour, then it will be our responsibility with the Department of Local Government in preparing a system that will meet the requirements of the NWT Water Board.

CHAIRMAN (Mr. Fraser): Thank you. Ms Cournoyea.

MS COURNOYEA: Mr. Pilot, could you express to us what complaint is being lodged in terms of the Tuk harbour by the NWT Water Board?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I have to be quite frank that I am not aware or am not familiar with the complaint that is being referred to. I will certainly gather that information and be prepared to speak to it but at the present time I am not aware of the complaint with the exception of what has been said here just earlier that there is a problem or there appears to be a problem that has been identified by the Water Board or to the Water Board and I have not seen either the complaint nor the recommendations that the Water Board may have made.

Total O And M, Engineering Services, Agreed

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. Any further questions on engineering services, \$220,000? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Operations, Agreed

CHAIRMAN (Mr. Fraser): Operations, \$13,747,000. Is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Accommodation Services, Agreed

CHAIRMAN (Mr. Fraser): Page 11.06, \$436,000, accommodation services. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Total O And M, Repair And Upkeep Of Buildings And Works

CHAIRMAN (Mr. Fraser): Repair and upkeep of buildings and works, \$11,362,000. Mr. Evaluarjuk.

MR. EVALUARJUK: (Translation) Mr. Chairman, I just want to make a few comments. When we were talking about education, I was supposed to bring this up when we came to this subject, of the maintenance in the schools in the communities. Two of the communities in my constituency are facing problems concerning the maintenance at the schools. It is because of the job that DPW have been doing. It is also of concern to the people in Igloolik. During the winter it is also very bad for the health of a person and also the students of that school had to stop going to school because of the problem. In addition the weather was not improving and it caused a lot of problems with the furnace in the school. Also the toilets are not being maintained. The students have separate washrooms, one for bigger students and one for smaller students. Regarding that, I would like to ask the Deputy Commissioner if there is a possibility of taking action on the maintenance immediately. Perhaps he can look into that immediately. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I gather from the comments by Mr. Evaluarjuk that it may be a problem of training of our maintainers of the school buildings. This is one area in which the department has and will be addressing themselves in the new year, of being able to provide better technical advice and training to the school maintainers and to our community workers so that they will find better methods of maintaining some of the more complicated areas of their school. So I am not quite sure if I am answering the question properly, whether it was in the area of training that may be required by the DPW staff and the school maintainers or whether it is a lack of funding within these buildings to carry out the maintenance.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. Repair and upkeep of buildings and works in the amount of \$11,362,000. Mr. Appaqaq.

Powerhouse In Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I am not quite sure if this is concerning this department. However, I am well aware that the Department of Public Works in Sanikiluaq is maintaining some lights, but my question, first of all, is on page 11.16. In Sanikiluaq, for the maintenance of the powerhouse, \$400,000. Is it going to be relocated, or are they going to get new generators? This is Sanikiluaq's concern. I would like to find out.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, this is an ongoing question from Mr. Appaqaq, and I believe we are getting closer to the solution of his concern. A new generator is on order, to go to Sanikiluaq this coming seafift, or this summer, and we do have funding within the budget to renovate and to make the building, the present building, more soundproof. However, it has come to our attention that in a few years time, the Department of Education will be



planning to build a new school in Sanikiluaq and as part of the planning process they are talking about the collection of waste heat from the powerhouse and using that waste heat to heat the new school. Our preliminary studies indicate to us that, from the present location of the powerhouse and where the new school would go, the expense in providing some kind of a heat transmission line would be in excess, and the recommendations that are coming forward now to the capital funding group is that a new powerhouse be built in proximity to the location of where the new school would be built, so that we can take advantage of the recovery of heat loss from the generators to heat the new school building.

So, before we make a decision to renovate the present building, we will have to make a decision as to whether a new school is indeed going to be built in Sanikiluaq, and, if it is, are we going to use a heat recovery system, and if indeed that is going to be the method we will use, we should be building a new powerhouse and it would be built in proximity to the new school.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. Mr. Appaqaq.

Possibility Of Inadequate Funding

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I understood the statement, and I appreciate it. However, regarding the hamlet council, they have written to me here in Yellowknife recently. They have concerns about the funding, that it is not adequate. I think the Government of the NWT will just drop down on their project, and I would like to ask some more questions. If the funding is not adequate, is there a possibility -- and I have some correspondence from my area that the Sanikiluaq hamlet council is trying to look after that project, and I am well aware of that, but the hamlet council was concerned about the school and if the school and powerhouse are too far away there are going to be some problems. They agreed to have the school and the powerhouse close together, and there would be more benefit if they were closer to the lake and that would be where they would get their water from. That would be of greater benefit to them.

CHAIRMAN (Mr. Fraser): Was there a question there, Mr. Appaqaq?

MR. APPAQAQ: (Translation) There was one question. If the funding is not adequate for that project, is there a possibility of assisting us with that project? If the funds are not enough?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I understand that the funding is identified under the capital side, under page 11.16, \$400,000 for the renovation of the powerhouse. We still plan to proceed with some of the renovations on that powerhouse this summer. However, the major decision has to be made to decide whether we will, in fact, build a new one and where it is going to be located. We will certainly work closely with the hamlet of Sanikiluaq, and I think if we could get together with Mr. Appaqaq during this session some time to go over the total plans for that powerhouse -- if he is familiar with it -- I would be very pleased to do that and to receive his suggestion as to how we can indeed work with the hamlet and provide their input and have them involved -- I think this is really what Mr. Appaqaq is asking us -- in the total project.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Appaqaq.

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. If there is a possibility that is going to be open to me, if we can discuss some concerns I have, I do not have any more concerns from the Sanikiluaq area.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Appaqaq. Mr. Curley.

Tremendous Amount Of Money Spent On Repair And Upkeep Of Government Buildings

MR. CURLEY: Mr. Chairman, I would like to ask the Minister why in his sphere, the Department of Public Works, the repair and upkeep of buildings is so high -- \$11,362,000 to repair and keep up the government buildings. I see that these kinds of funds are not provided for the Department of Local Government, not specifically as repair and upkeep of those municipal buildings. I know that a year and a half ago the Rankin Inlet hamlet council had to eventually exchange with the government because staff housing was in such bad shape that they did not even have any money to do the kind of repair work to put it into liveable condition, and now that the government has taken it over, they have repaired it. You might even be able to live in it if you ever move over there, Mr. Pilot. What I am trying to say is why are not the same kind of maintenance and upkeep of building funds provided for the municipalities in the Northwest Territories?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Yes, Mr. Chairman. We do admit that our maintenance of government buildings has fallen far behind over the past few years. This may sound and look like a lot of money, but when we apply the formula that we use for the maintenance of hamlet buildings, it is much less. The formula and the transfer of funds to hamlets under the Department of Local Government is a higher formula than the one we see here. It is just the number of buildings we have to maintain and my officials in the department tell me, not really sufficient funding and that becomes very evident when we look at the number of school roofs that we have to replace. This is a maintenance problem that has been neglected over the years because of the lack of adequate funds. That \$11 million is spread out over the five regions, including the Yellowknife area and it is spread out approximately evenly, by about two million dollars per region for the maintenance of buildings. So, as I say, it may look and sound like an excessive amount of money, but if we could apply the same formula that hamlets utilize in obtaining their funding from the territorial government -- if we could use that same formula in obtaining our maintenance money from the federal government, this would be a much higher figure.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. I think the Member's question was that when the hamlet had it there was no money, but as soon as DPW took over there is a lot of money. I think that is what the concern was and he wanted the Deputy Commissioner to respond to it. I am sorry. Okay. Mr. Curley.

MR. CURLEY: Agreed.

Total O And M, Repair And Upkeep Of Buildings And Works, Agreed

CHAIRMAN (Mr. Fraser): Total O and M, \$11,362,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Operation And Repair Of Equipment, Agreed

CHAIRMAN (Mr. Fraser): Operation and repair of equipment, \$3,591,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Regional Administration, Agreed

CHAIRMAN (Mr. Fraser): Regional administration, \$2,012,000. Agreed?



SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Regional Project Management, Agreed

CHAIRMAN (Mr. Fraser): Regional project management, \$627,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Utilities, Agreed

CHAIRMAN (Mr. Fraser): Utilities, \$27,175,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Highways

CHAIRMAN (Mr. Fraser): Highways, \$13,680,000. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. Just a very brief question. I received a copy of a letter that was sent to Mr. Parker by the Yellowknife Chamber of Commerce and it was concerning the possible dredging of the Mackenzie at the place where the ferry crosses and it says in one brief paragraph: "We have been informed that if some areas of the river bed were to be blasted and dredged the Merv Hardie, with its recent renovations, could be expected to provide continuous service until the ice road is in place." And further on they request consideration be given to blasting and dredging of the river bottom at Fort Providence. Of course, the issue for people in this area is that during the times when the ferry is out there are considerable increases in costs. So, can I ask whether there has been a response and if not, will there be and most importantly, will it be a favourable response? Is that realistic? Is it possible?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Yes, Mr. Chairman. The plans are under way to dredge that portion of the Mackenzie River to allow better access by the MV Merv Hardie. We have not responded to that letter that you refer to at the present time. We are still doing some research into some of the other questions that were asked in that particular letter and I hope to have that completed and returned to the chamber of commerce very shortly.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Could I just very briefly ask, then, the plans for dredging, would that be for this upcoming year or the following year?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Yes, Mr. Chairman. That is planned for this upcoming year. We hope to have it done this summer. I am not sure if there is an ongoing program in dredging. There are other parts of the river and other ferry crossings that require dredging also and they will be addressed as need be.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Stewart.

Moving Highways Division To Hay River

HON. DON STEWART: Thank you, Mr. Chairman. For some time now it was indicated that the highways department would be moved to Hay River. So far, there has been an increase in staff, but the headquarters staff of the highways department has not been moved. Could the Minister tell me whether or not it is going to be moved and if it is when?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Thank you, Mr. Chairman. We are still actively reviewing that question. My response is not a delaying tactic. It is that we have been very, very active in looking at other aspects of the transportation sectors of the Government of the Northwest Territories and this does include the highways sector. A small group has been developed or formed and will be responding to the Hon. Mr. Braden very shortly, I understand, with some recommendations to be relayed to the Legislature.

CHAIRMAN (Mr. Fraser): Thank you. Mr. McLaughlin. Mr. Stewart, supplementary.

HON. DON STEWART: Supplementary on the same subject, a new position or the person in charge of ferry operations was moved from Hay River to Yellowknife. Inasmuch as the ferry operations, the repair centres and the actual ferry system is a lot closer to Hay River would the Minister consider at least returning this position to Hay River?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, my light is on. I am just pondering the question. It is something that we have looked at in the past. It has great merit in locating that position in Hay River. It is close to the operation side of the section of highways, the operation side being the side that comes under Mr. Gordon Barber and I understand the ferry operation also comes under this same sector, but the complication, of course, is that there are other ferry operations, the Peel and the Arctic Red River ferries that come under the Inuvik region and also the ferry that is at Fort Simpson. So, administratively we have addressed the subject, but the deputy minister, Mr. Elkin, is new to this particular question and he did not want to be hasty and would caution me in being hasty in saying that we would in fact transfer the position down there without first having an opportunity to look at it and review it, in light of the reporting relationship and the other sectors or the other areas which that individual must be responsible for.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. The hour being 6:00 o'clock, we will rise and report progress.

MR. SPEAKER: Mr. Fraser.

REPORT OF THE COMMITTEE OF THE WHOLE OF MATTERS RELATING TO THE ARCTIC PILOT PROJECT; BILL 1-82(1), APPROPRIATION ORDINANCE, 1982-83

MR. FRASER: Thank you, Mr. Speaker. Your committee has been considering matters relating to the Arctic Pilot Project and wishes to report this matter concluded, with one motion being adopted; also, Bill 1-82(1) and wishes to report progress.

MR. SPEAKER: Thank you, Mr. Fraser. Mr. Clerk, announcements and orders of the day, please.



CLERK OF THE HOUSE (Mr. Remnant): Yes, Mr. Speaker. There will be a meeting of the standing committee on finance at 9:00 a.m. tomorrow in Katimavik A.

ITEM NO. 14: ORDERS OF THE DAY

Orders of the day, 1:00 p.m., Thursday, February 25, 1982.

1. Prayer
2. Replies to Commissioner's Address
3. Oral Questions
4. Questions and Returns
5. Petitions
6. Tabling of Documents
7. Reports of Standing and Special Committees
8. Notices of Motion
9. Notices of Motion for First Reading of Bills
10. Motions
11. Introduction of Bills for First Reading
12. Second Reading of Bills
13. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Matters Relating to Constitutional and Political Development; Tabled Document 15-82(1); Bill 1-82(1); 13th Report of the Standing Committee on Finance
14. Orders of the Day

Mr. Speaker, I neglected to mention that there will be a meeting of the special committee on education at 11:30 a.m. tomorrow in room 301.

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:00 p.m., Thursday, February 25, 1982.

---ADJOURNMENT

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