

MACKENZIE VALLEY PIPELINE INQUIRY

IN THE MATTER OF THE APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES
FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL
AND ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

**Fort Simpson, N.W.T.
September 10, 1975.**

PROCEEDINGS AT COMMUNITY HEARING

Volume 27

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

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1 Fort Simpson, N.W.T.

2 September 10, 1975.

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Ladies and
5 gentlemen, we'll start off again this morning and hear
6 from those who we didn't have a chance to hear from
7 yesterday, and the day before.

8 We have two witnesses who
9 haven't been -- or at least one that hasn't been sworn.

10 MRS. FIZER: I was just going
11 to ask a question again.

12 THE COMMISSIONER: Well, we
13 will just swear in the third witness.

14
15 MARY FIZER resumed:

16 THE WITNESS: Mr. Berger, I
17 have a question I would like to direct to both the
18 applicants of the pipeline. On Monday I asked them
19 about their training programs that they've set up so
20 that people in the north would take over some of the
21 skilled positions, should the pipeline be built.

22 The question that I now ask
23 is I understand that the job will be a union job during
24 the construction phase, and I'd like to know what
25 agreement, if any, or proposed agreement there will be
26 with the union to ensure that northerners do obtain
27 positions on the pipeline, and the second part of the
28 question is where would the Union Hiring Hall be?

29 THE COMMISSIONER: Mr. Workman
30 and Mr. Ellwood, maybe you'd like to sit there, Mr. Work-

1 man, just for the moment, and Mr. Ellwood, maybe you'd
2 like to take this one and give us what help you can.

3 MR. WORKMAN: As far as
4 Arctic Gas is concerned we do not yet have any
5 arrangements with any union. This will be negotiated,
6 I'm sure, and one of the points we will negotiate with
7 the union is the insistence on employment of
8 northerners as much as possible. We haven't reached
9 that stage yet of negotiations.

10 THE COMMISSIONER: Mr. Ellwood?

11 MR. ELLWOOD: Likewise
12 Foothill has not reached that stage of negotiating with
13 the unions on the specifics of how this will work, but
14 we do have this summer a program to train construction
15 workers on our pipeline spreads with Alberta Gas Trunk,
16 in Alberta, and that is done in co-operation with the
17 unions that those people, although they are non-union,
18 are working on the spreads. It gives us an indication
19 at least that the unions are co-operative and will
20 follow through on this when the main construction comes.

21 THE COMMISSIONER: Mrs. Fizer,
22 I should tell you that under the pipeline guidelines this
23 Inquiry is to make recommendations to the Minister and
24 the members of the Cabinet on the provisions that should
25 be included in any collective agreement relating to the
26 construction of the pipeline and the running of the
27 pipeline after it is built. So if you have any
28 recommendations that you have to make about what the
29 union agreement should say, go ahead and tell me what you
30 think it should say.

1 THE WITNESS: What I wanted to
2 say is that I understand on the Alyeska route in Alaska
3 that because of the positions of Union Halls it made it
4 very difficult for shall we say native Alaskans to get
5 to the Union Hall to get the job, and if we're going to
6 have Union Hiring Halls, then I think that we should
7 have Union Hiring Halls in all not only one place such
8 as Hay River and Edmonton, but Union Hiring Halls in
9 Inuvik and Norman Wells and Fort Simpson, so that the
10 people of Fort Simpson won't have to drive to Hay River
11 and wait until their name comes up on the list, as I
12 understand it.

13 Another question I'd like to
14 direct --

15 THE COMMISSIONER: Excuse me,
16 Miss Hutchinson, you might mark that passage in the
17 transcript and refer it to Mr. Scott, That's a matter
18 that will be coming up in detail at Yellowknife later
19 in the year, and it's quite an important one.

20 THE WITNESS: When you do
21 enter into negotiations with the union, are you going
22 to put a percentage quota, or any type of quota on the
23 number of native northerners that are hired?

24 MR. WORKMAN: We feel that
25 there will be so many openings, so many jobs to be
26 filled that there will be no problem with all native
27 northerners having an opportunity for employment.

28 THE COMMISSIONER: Are both of
29 you talking about native people, or about northerners
30 generally?

1 THE WITNESS: I'm talking
2 about northerners generally, be we Indian, Metis or the
3 white people that are here.

4 THE COMMISSIONER: Did you
5 understand that to be that?

6 MR. WORKMAN: Yes. We don't
7 really like to differentiate on a racial background.
8 We prefer to speak of northerners as people living in
9 the north , and naturally that will mean predominantly
10 native northerners; but I don't like to get into a
11 racial discrimination bit on it. I think it's pretty
12 well obvious it would be native.

13 THE COMMISSIONER: Are you saying
14 Mr. Workman, every northerner will be offered, who wants
15 employment on the construction of the pipeline will be
16 offered it, is that what you're saying?

17 MR. WORKMAN: Yes, There will
18 be so many jobs available, the jobs available will far
19 supplant the number of people in the north.

20 THE COMMISSIONER: You're
21 talking about construction?

22 MR. WORKMAN: Yes.

23 THE COMMISSIONER: Now, what
24 about quota, to follow up Mrs. Fizer's question? Once
25 it's built and you are employing only 200 people in the
26 whole of the north to run it, will you have a quota
27 there?

28 MR. WORKMAN: Yes, we would like
29 to have the full 200 jobs made up of northerners.
30 However, the jobs will require trained people and whether

1 | we can have the 200 northerners trained for these 200
2 | jobs or not is hard to say at this time. We have a
3 | training program under way, but whether we will actually
4 | be able to fill the 200 jobs with northerners on startup
5 | is hard to say at this time. That would be the ideal, 1
6 | and it may take a few years after the start of the
7 | operation to completely fill all positions with
8 | northerners.

9 | THE WITNESS: You're saying
10 | then that ten years after the pipeline is built that
11 | there will be northerners employed in the compressor
12 | stations up and down the Mackenzie Valley?

13 | MR. WORKMAN: There will be
14 | northerners employed in the compressor stations
15 | immediately on startup; whether they -- I can't say
16 | that every position will be filled by northerners at
17 | that time. It may take longer.

18 | MR. ELLWOOD: A similar
19 | situation applies for Foothills. We're not
20 | contemplating a quota system on hiring either during
21 | construction or operations, we prefer to do this on a
22 | preferential basis, that all jobs will be offered to
23 | the northerners first. If they can't be filled from
24 | there, we'll offer them in the south.

25 | THE WITNESS: O.K., along with
26 | the unions, I'm sure you've heard it before and being as
27 | how you've worked with pipelines you've probably seen
28 | it, that perhaps you'll have to give more than one, two,
29 | three, four, on and on chances to any one individual.
30 | Will any -- I don't know how to point it out, I've

1 | lost the word -- will anything be written in so that the
2 | person, maybe he falls down the first time or the second
3 | time or the third time, but will he still have a fourth
4 | and fifth chance?

5 | MR. ELLWOOD: Well, that's the
6 | way the Nortran Training Program is operating right now,
7 | Many people who start have dropped out of it and have
8 | come back a second time. There is no limit on how many
9 | times you can come back. We found generally that those
10 | who drop out and want to come back at a later date so
11 | far to my knowledge, none of that second group has
12 | dropped out again, They're still in the program so we
13 | really don't have any experience with the fourth or
14 | fifth time, but that's the way the program is set up.

15 | THE WITNESS: O.K., thank you.

16 | THE COMMISSIONER: Mrs. Fizer,
17 | I understand that you work with Manpower. If you are
18 | thinking about these problems you've discussed, and you
19 | have some further things to say, please write me a
20 | letter at Yellowknife setting out your views. I'd like
21 | to hear from you if you do decide you have something
22 | further to say.

23 | THE WITNESS: Yes sir, I'll do
24 | that after I've left the department.

25 | Q After what?

26 | A I've left the department.

27 | THE COMMISSIONER: O.K., well --
28 | (WITNESS ASIDE)

29 |
30 |

1 | apologize for standing up for my rights either.

2 | I have claimed that the
3 | Village Council, which was voted in by all members of
4 | this community, have the right to speak for the Fort
5 | Simpson residents.

6 | In my position as secretary
7 | to the project manager of Hire North, I answer queries
8 | for employment on an average of 6 to 10 per day. Hire
9 | North has a waiting list for employment. These are
10 | native peoples, they want employment. I would like to
11 | remind the Dene people that it is the government that
12 | have not honored their commitments to them, not white
13 | person like myself. And when they use the tern "white
14 | man, go home," I am home.

15 | Progress and development is
16 | happening now, whether one likes it or not. I
17 | personally wish to see the pipeline with all that it
18 | entails. The pipeline means jobs, it means money that
19 | will make our standard of living better. It means
20 | change also, I realize that. We can meet and accept
21 | these changes, if we meet them as people, not as white,
22 | Dene, Metis or whatever, but as people, and I thank you
23 | for this opportunity to speak.

24 | THE COMMISSIONER: Thank you
25 | very much, Mrs. Cummings. Will you let us have your
26 | written statement, please?

27 | THE WITNESS: Yes sir.

28 | THE COMMISSIONER: Thank you
29 | very much.

30 | (SUBMISSION BY MINA CUMMINGS MARKED EXHIBIT C-201)

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(WITNESS ASIDE)

CHRIS HAMMOND resumed:

THE WITNESS: A greater portion of what I'd like to say, I'd like to say mainly to the Dene people, not only of this community but also in the Mackenzie.

As I've followed the hearings I have heard you, the Dene people, speak, and what you have said has been good. However, you people as a whole tended to categorize all whites collectively as a group, demented with a lust for nothing but power, wealth and land. Yet all whites are not of this mind. Many of us see no gain or self-satisfaction in the acquisition of power. We admire no man who prostitutes himself for monetary gain, and for many it pains us greatly to see our land tortured and scarred. A great many of us are concerned about this land, and I'd like to relate a story to you to demonstrate this. I spent a great part of my earlier life living in Ottawa and when I was attending university there one morning I woke up and I turned the radio on and I heard that the Cree Indians of James Bay had lost their land, it had been taken away from them without a fair hearing by the Quebec Government.

When I returned to campus that morning there was an immediate reaction to this, an outcry that this could not be. The people who initiated this reaction were not Indian, They spoke no Algonquin dialogue, they knew no Cree dialect. There was something that transcends a culture, customs or tradition

1 | eyes and think of the land, the land of the Mackenzie,
2 | Then, Mr. Berger, I ask you to try and part with that
3 | vision of the land. Thank you.

4 | THE COMMISSIONER: Thank you
5 | very much, sir. May we have your written statement so
6 | that it can be --

7 | THE WITNESS: Well, the reason
8 | I really wrote this was Whit Fraser put something -- I
9 | heard it on the radio and what I said more than anything
10 | was "Ah" and that's why I wrote it.

11 | (SUBMISSION BY CHRIS HAMMOND MARKED EXHIBIT C-202)

12 | (WITNESS ASIDE)

13 | MR. LAFFERTY: Can I get sworn
14 | in, please?

15 |
16 | MAURICE LAFFERTY sworn:

17 | THE WITNESS: I am Maurice
18 | Lafferty. I was born in Fort Simpson in 1934, and I'm a
19 | native of this land, and I think my main problem is
20 | people like the young man that just spoke. When I think
21 | back I seem to remember something about all kinds of
22 | dissatisfaction and disruptions of the university
23 | campuses in the outside, agitators, and upon thinking a
24 | little more about this I think they have cleared the air
25 | there around the campuses. I don't, hear so much about
26 | these university riots.

27 | But now I'm beginning to hear
28 | all kinds of disagreements within the native population,
29 | all over Canada, and I think these agitators have moved
30 | into our communities, the native community. I think

1 | there is always going to be young people do-gooders, and
2 | if they can't change the white man's university systems
3 | they're out to change the Metis' peaceful way of living.
4 | This is our main problem.

5 | I don't like it to be my
6 | problem so I've banned myself from the Dene nation for
7 | this main reason.

8 | THE COMMISSIONER: Sorry, you
9 | what?

10 | A I don't belong to the
11 | Dene nation, though I'm a native of this country. For
12 | the main purpose, I don't think it's the native peoples'
13 | voice and when I look around the room here I cannot see
14 | any true Metis people, my own people, and I seem to
15 | think that they regard this -- pardon the expression for
16 | nothing more than a travelling medicine show. Perhaps
17 | they don't realize the seriousness of it, but this is
18 | what my people think of it.

19 | I know there is a great deal
20 | that has to be ironed out before the development comes
21 | through, and unless we sit together and iron out our
22 | differences we're going to have troubles, even within
23 | the native communities there's going to be uprisings
24 | like today. Maybe I'm standing alone but if they
25 | continue to force their ideas upon us, there's going to
26 | be more within the native community and this will only
27 | break us apart and weaken us.

28 | When I look upon that map I
29 | seem to be able to trace my tracks down the Mackenzie
30 | River. I once took a 70-mile trek on snowshoes on a

1 | and it wasn't through inexperience, it wasn't through
2 | stupidity, because when I was taken to the hospital, the
3 | Royal Alexandra Hospital, the first nurse that I met
4 | there sort of said with a smile, he said, "The roughneck
5 | business must be quite a rough trade to be in because
6 | you're the third that has been admitted tonight," and it
7 | was only about ten o'clock when I was admitted.

8 | So I wasn't the only one hurt
9 | on the job, there was a lot of other people that were
10 | being hurt on the job. There is going to be a lot of
11 | this on the pipeline, and I can only stress to the
12 | pipeline people here to be sure that they have their
13 | safety precautions to make it easier for the men that
14 | are going; to work on the pipelines.

15 | Anyway, I seem to have run out
16 | of words, probably I'm not -- I didn't prepare a
17 | speech,. I come unprepared but the speeches that I have
18 | heard previously have all been pre-conceived somewhere,
19 | they have been prepared and I know you're moving up to
20 | Fort Wrigley and I know you're going to run into the
21 | same thing. I only want you to remember that, and to
22 | count how many people like me you have seen, true Metis
23 | of the Territories.

24 | There was one yesterday, Bill
25 | Lafferty, he stood alone, and I stand alone today.

26 | THE COMMISSIONER: Thank you,
27 | Mr. Lafferty.

28 | (WITNESS ASIDE)

29 |
30 | PETER COWIE sworn:

1 THE WITNESS: Justice Berger,
2 representatives of the pipelines, good morning. My name
3 is Peter Cowie, and I have been a resident of the
4 Northwest Territories for some 11 1/2 years; 9 years and
5 some odd months spent in this Town of Fort Simpson, the
6 other two years and some odd months were flying out of
7 Yellowknife.

8 Now the map on the wall behind
9 you, sir, covers the major portion of the area that I
10 have flown in for this past nine years. Some 4,500 air
11 hours covering that same general area. As you could
12 possibly understand, after all that time in one area it
13 gets pretty damn boring flying back and forth up and
14 down those same routes.

15 So you notice things, in fact
16 you can notice say fresh beaver cutting on a beaver
17 lodge. You notice moose tracks. You definitely notice
18 toboggan trails and dog team trails.

19 Now the first couple of
20 winters I flew out of here, the beginning of 1964, there
21 was dog team trails much like is depicted on that map,
22 and I would estimate 30% of the aviation revenue during
23 those winter months was directly related to trapping or
24 the trappers, in fact quite a few of those people that
25 spoke to you yesterday I have flown them and their
26 parents many times.

27 However, I would like to state
28 that that map is inaccurate as of the last three to four
29 years. The last winter I did zero, negative, none,
30 flying trips for the trapping economy. The outfit that

1 my aircraft is leased, to and I work for did one. I
2 don't know if it's an economic thing, the price of lynx
3 when I came here, I believe, was in the 20 to \$35
4 bracket. Last year or the year before there were some
5 lynx particularly out of Liard went for \$180 a pelt.
6 That is a fair increase. The price of chartered aircraft
7 have not increased as much as the price that fur went up.

8 I would like to think it's a
9 changing life-style. It was possibly a very harsh life
10 out on the land and if things like electric light and
11 running water, telephones, radios are available in Fort
12 Simpson I think maybe this is one of the reasons why
13 there is not this great coverage on that map that's
14 depicted.

15 The second observation, I was
16 wondering last night as I was sitting here and I believe
17 it was Rene Lamothe was saying about some chap that used
18 to hunt and supply food or meat for 40 people, I got
19 thinking somewhere our ancestors must have been hunters.
20 They must have lived on the land. This thing we call
21 industrial development and modern conveniences didn't
22 just happen overnight. So somewhere in Britain or
23 continental Europe or whatever part of the world people
24 came from that now make up Canada, they had to be
25 hunters and trappers of wild animals. But somehow they
26 have evolved because, I've never been to Britain, I'm
27 not a world traveller, but I gather there's a few little
28 rabbits there and I've even seen pictures of big hordes
29 of people there chasing a little furry-tailed fellow
30 hollering "Tally-'ho", but I've never seen them

1 | grant to prepare facts and figures. I just had to make
2 | some observations. Thank you.

3 | THE COMMISSIONER: Thank you.
4 | Just a moment, Mr. Cowie. Just this map, my
5 | understanding yesterday was that it wasn't suggested that
6 | this represented current use of the land. I think it was
7 | the historical use made of it by a number of people.

8 | THE WITNESS: They are
9 | registered traplines this covers. What I was going to
10 | get in is because of changing life styles they are not
11 | used as they might be.

12 | THE COMMISSIONER: Yes, I under-
13 | stand your point but I don't think that anyone suggested
14 | that this was a current use. Anyway, thank you very much.

15 | (WITNESS ASIDE)

16 | THE COMMISSIONER: If anyone
17 | else would like to say something --

18 |

19 | AL DODD sworn:

20 | THE WITNESS: Mr. Berger, my
21 | name is Al Dodd, and I'm project manager for Hire North,
22 | I'd like to reply to a few comments made the day before
23 | yesterday to Hire North by Mr. Rene Lamothe, seeing as
24 | how the witnesses are sworn in, I think the record should
25 | be put straight.

26 | "Hire North is paying \$9.50 per
27 | hour to have people ride around and sleep in pickups,
28 | plus a guarantee of 16 hours per day."

29 | We do not pay 9.50 per hour to
30 | anyone in Hire North, regardless of where they sleep.

1 "We have split up families." There was an item in the
2 newspaper the other day that stated two marriages out of
3 five ended in separations throughout Canada. Are we to
4 be held responsible for these two? It has only been going
5 on for 1,975 years. Hire North has been in existence for
6 three.

7 THE COMMISSIONER: It may have
8 been going on longer than that.

9 THE WITNESS: We are also
10 accused to contributing to the alcohol problem by the
11 money which we have given to people who work for us.
12 But, Mr. Berger, I have seen possibly more broke drunks
13 than so-called Hire North money drunks. I think they are
14 fairly even in this controversy. But I've seen the broke
15 drunks follow a Hire North pay cheque from one end of
16 town to the other to borrow or to get free drinks. These
17 are the same people that stand around and say,
18 "Development, oh no, not us, we don't want it."

19 We have on file in our office
20 work cards for 1,280 people. We have had up to 180 people
21 at one time on active payroll cards, totalling up to
22 200,000 per month. Is this so wrong? These people are from
23 all walks of life, northern life, from Whale Cove,
24 Yellowknife, Cambridge Bay, Inuvik, Aklavik, and all towns
25 in the Mackenzie Valley including Fort Liard, Nahanni,
26 Trout Lake, Fort Resolution, Fort Rae, Providence, etc.
27 These are working people, people striving for some
28 semblance of independence, not a bunch of non-voice
29 followers These people should have a loud voice --

30 Q Excuse me -- what?

1 These people we are directly
2 involved with are very much in favor of development or
3 they would not participate in the project as avidly as
4 they are now doing, and there are' more people wanting to
5 become involved in this project. we have approximately
6 100 job applications to prove it, and more applying very
7 day.

8 I suggest to you, Mr. Berger,
9 that had the question of a pipeline been put to the
10 people of the Northwest Territories via secret ballot
11 with a simple "yes" or "no", there would be an
12 overwhelming vote of "yes".

13 In conclusion, Mr. Berger, I
14 would like to extend an invitation to you and your people
15 to conduct a hearing in Camp 1. We have 50 people in
16 camp and most of them are involved in northern
17 development as it now is.

18 THE COMMISSIONER: Thank you, Mr.
19 Dodd, I wonder if I could ask you a couple of questions?
20 Hire North has been in business for three years?

21 A In the construction, yes.

22 Q And what -- can you give me
23 an idea of the level of employment in each of those three
24 years? That is how many northerners were employed in the
25 first year, how many in the second year, how many in the
26 third year in terms of numbers and then in terms of man
27 hours? Mrs. Cummings I think, is coming to your
28 assistance here.

29 A 593 T-4 slips were made out
30 in '74.

1 Q That's last year. Do you
2 happen to know the year before?

3 A We have been accelerating
4 in that respect every year, but we have hit a level now
5 where we will not, unless further expansion within our
6 own organization, to absorb any more people than that.

7 Q Well, 594 last year
8 represented a plateau, if not a peak?

9 A That's right, yes. That
10 was our biggest year was last year,

11 Q Now, the program
12 essentially a winter program, is it?

13 A No, it is, in the clearing
14 it is a winter program. Strictly a winter program in the
15 wintertime due to ecological reasons.

16 Q And how many were employed
17 last year on the clearing, approximately?

18 A Last year we had
19 approximately 150 people in our clearing operation alone,
20 and the rest, the remainder of it, and we peaked out at
21 180 people per month, the remainder were absorbed in the
22 construction end.

23 Q Just forgive me for being a
24 little slow about this, 180 a month are employed. at
25 Hire North on the average month in the wintertime?

26 A That's true.

27 Q And how many of those are
28 on clearing?

29 A Approximately 130. We
30 absorb 50 in the summertime, we try to stay to 50 people

1 | the summertime on the construction end alone; but with
2 | the clearing we peak out at 180 people.

3 | Q I see. Well, the
4 | construction people you try to maintain a year-around
5 | average around 50, is that correct?

6 | A That's right, yes.

7 | Q And clearing in the winter
8 | 180 less 50, is that about it?

9 | A That's right, yes.

10 | Q Well, Mrs. Cummings is
11 | shaking her head, I hope you and I aren't messing this
12 | up.

13 | A We peaked out at 180 people
14 | and 50 of those were absorbed in the construction, and
15 | approximately 130 in the clearing.

16 | Q Well, this coming winter
17 | have you been -- that is if you're able to tell me, and
18 | you're not, don't tell me anything you either don't feel
19 | you should or that you don't know -- but do you expect to
20 | maintain those levels, do you expect to maintain at level
21 | of approximately 130 a month employed in clearing this
22 | winter?

23 | A No, not as of now. We are
24 | looking at winter works projects and a lot of other
25 | projects that I'm not free to mention right now, but --

26 | Q Any idea --

27 | A -- we are trying to absorb
28 | the same number of people, it's all based on man hours
29 | for winter, and we're going to try and absorb the same
30 | amount again.

1 Q But so far as highway
2 construction is concerned, on that you won't be able to
3 maintain the levels that you had last year?

4 A No, no, we will be
5 decelerating in the construction side of it. But we will
6 be at it again next year. We have already been told that
7 we will be going next year.

8 Q Yes.

9 A Our year starts in March.

10 Q Oh, I see.

11 A The end of our year.

12 Q Well, you've been told that
13 Hire North will still be running?

14 A Definitely.

15 Q The next fiscal year.

16 A Definitely.

17 Q But as I understand it,
18 your highway program will be diminished, but you're
19 looking to other projects, some of which haven't yet --

20 A This is right.

21 Q -- been worked out to keep
22 people working, that's the point, I take it.

23 A That 's true, But there is
24 no shut-down at Hire North.

25 Q Well, thanks very much. I
26 wonder if you'd let us keep your written statement too so
27 it can be marked as an exhibit?

28 A Sure.

29 (SUBMISSION BY AL DODD MARKED EXHIBIT C-203)

30 (WITNESS ASIDE)

1 MR. ERION: I've already been
2 sworn in, so can I continue?

3 THE COMMISSIONER: Yes, right.
4

5 GORDON ERION resumed:

6 THE WITNESS: I would like to
7 clarify at first that I'm not speaking on behalf of the
8 Chamber of Commerce, I'm just speaking as an individual
9 in this case. I have several questions for the
10 applicants. The first one is directed to Foothills.

11 I'm wondering if there is not
12 sufficient gas in the delta at the time the permit is
13 issued and you happen to be the applicant that receives
14 the permit, if there is not sufficient gas in the delta
15 would you draw upon Alaskan gas to move it through the
16 line?

17 MR. RUTHERFORD: No, we won't
18 and there will be sufficient gas in the delta for us to
19 build our pipeline.

20 THE WITNESS: Right. This
21 question is for both applicants. Should one of you
22 receive . permit for this construction, if there is
23 insufficient funds to finance this large project through
24 traditional financial groups, would you be approaching
25 the government to subsidize the cost of this lines such
26 as in the Syncrude project?

27 MR. RUTHERFORD: I'd like to
28 answer that because it's more my end of the business than
29 John's. We feel confident we can finance it within
30 Canadian funds without any government guarantee.

1 That doesn't mean we don't think a government guarantee
2 night be appropriate, and we think it may well be
3 appropriate. We don't think it would take the form like
4 Syncrude but because the natural gas industry has now
5 changed and the price in the market has gone to commodity
6 value, which I think you are aware of what that means,
7 the cost of transportation then doesn't so much
8 influences the price in the market, but the flow-back to
9 the producers and the economic rents to the government
10 and the Territories in the form of royalties. So that if
11 a government guarantee -- and I'm thinking in terms like
12 deficiency guarantee on the financing, on a guarantee not
13 to advance money but just to guarantee that if any
14 unusual circumstances did happen that at some time there
15 would have to be otherwise a default on the bond interest
16 or repayment of bonds. In that term, that some type of
17 government guarantee against the bonds would make the
18 financing a much less costly form of financing, it would
19 allow you to get a lower interest rate on your bonds and
20 also increase the percentage of bonds that you would, in
21 your structure, and that could have the affect of
22 lowering your cost of service which would have the effect
23 of flowing more money back to economic rents, and in that
24 respect I think that a government guarantee could well be
25 considered as being a reasonable thing for the government
26 to do, and it could be an advantageous thing for the
27 government to do. So I'm not saying the --

28 THE COMMISSIONER: You mean the
29 government might stand a chance of getting greater
30 royalty or a greater share of revenue via taxation if

1 | they provided guarantee which enabled you to borrow money
2 | at lower interest rates?

3 | MR. RUTHERFORD: Absolutely,
4 | It's a dual thing. Even without lower cost of service
5 | they are more or less guaranteeing their own economic
6 | rents to the production of the gas, but if by a guarantee
7 | they could make -- that money would flow to them rather
8 | than to the financial houses, it would be a reasonable
9 | thing for them to do. So in that respect I say to you
10 | that a government guarantee might very well -- that these
11 | pipelines, our pipeline may very well end up with a
12 | government guarantee, But we are not asking for one. We
13 | have not asked for one yet and we do not think it's
14 | required; but I can tell you that we're going to point
15 | out to the government that it might be in its own
16 | interests to do so.

17 | THE WITNESS: Right. That's
18 | much different than what happened with Syncrude, though.
19 | It was directly subsidized.

20 | MR. RUTHERFORD: Much different,
21 | yes.

22 | THE WITNESS: While I have you
23 | at the mike, your president, Mr. Blair, stated I'm not
24 | sure which community it was at, Fort Good Hope or Fort
25 | Norman, somewhere in there, that they would be quite
26 | prepared to sell an issue of shares or majority share of
27 | the Foothill Company to a native organization in the
28 | Territories, Would-you like to clarify that statement?

29 | MR. RUTHERFORD: Well, I wasn't
30 | there and I don't know the circumstances under which Mr.

1 Blair was asked, and I don't -- I have talked to him
2 about this and I know what his answer was. We have
3 always said that any -- all the northern people can
4 participate in the ownership of our pipeline. It's a
5 matter of buying shares. That's the way a public
6 enterprise works, my public can buy your shares. We
7 would like the northern people to buy all the shares they
8 could. If the Native Brotherhood had money, it would be
9 an excellent place for them to invest their money. It's
10 their own resource, the production of their own resource,
11 it will earn a return on their money, and Mr. Blair said
12 that if they had a lot of money they wanted to invest,
13 that Foothills would be happy to have them invest in it,
14 like said if they didn't like straight equity, that some
15 type of financial structure might be developed like a
16 special preferred issue or something or them, if they
17 wanted to invest in that nature.

18 I think he then was asked, that
19 if they want or had enough money to buy control of the
20 pipeline, and I think he said that even in those
21 circumstances that it would be possible that they could
22 acquire control of the pipeline, but he had one parti-
23 cular rider on it, that I do not know has come out, and
24 that is that he said that since we are sponsoring this
25 pipeline we would have to be for our own purposes, we
26 would have to be sure that the pipeline was managed and
27 run by able pipeline people, that it would be a disaster
28 to turn the pipeline over to inadequate management, so he
29 had that rider on it. It some way would have to be
30 forked out that the assurance -- and you wouldn't get

1 | financing unless the assurance was there -- that the
2 | pipeline would still be managed and operated by pipeline
3 | people.

4 | THE WITNESS: So you would
5 | obtain the administration of the company even though
6 | there is a possibility that you could sell the majority
7 | of the controlling shares?

8 | MR. RUTHERFORD: Yes, and I
9 | don't think the sale of the majority of shares is
10 | contemplated at all, but he was pointing out that it was
11 | a remote possibility that such a thing could happen if
12 | somebody wanted to, but I do remind you of the rider that
13 | it would have to be -- the management and direction of it
14 | would have to remain in able hands.

15 | THE WITNESS: I wonder if Arctic
16 | Gas would like to answer that question?

17 | MR. WORKMAN: Well, financing of
18 | course is a very important part of the whole project, and
19 | we have certainly had preliminary discussions with
20 | financial houses throughout the world to be assured that
21 | there will be money to back our project. However, these
22 | are preliminary discussions. No one can be committing
23 | themselves to financing a project until we get through
24 | the regulatory procedures. At that point then we will
25 | get down to signing hard and fast contracts; but we for
26 | see no problems in that respect.

27 | THE WITNESS: If -- this is sort
28 | of a joint statement - you're looking for money all over
29 | the world. I'm not sure, but I think Foothills stated
30 | that you're looking for equity money in Canada.

1 MR. WORKMAN: Pardon me. For
2 equity money the Canadian Arctic Gas project would be
3 predominantly Canadian. We would like to have all our
4 equity as Canadian. Canadians will get the first choice,
5 and I'm sure there will be -- well, I'm positive it will
6 be over 50% Canadian, and if Canadians don't want to pick
7 up the remainder, then we will probably go outside. We
8 will go outside for it.

9 THE WITNESS: O.K., then your
10 discussion of going to the financial houses through the
11 world was just for the issuing of bonds?

12 MR. WORKMAN: Yes.

13 THE WITNESS: And other forms of
14 financing?

15 MR. WORKMAN: Right.

16 THE WITNESS: O.K. What would
17 happen if you could not raise sufficient capital
18 throughout Canada and the rest of the world to finance
19 this \$6.2 billion project? Would you go to the
20 government, to either the American or the Canadian
21 Government I to subsidize you?

22 MR. WORKMAN: That's a big if, I
23 guess if that were to happen, yes, I guess we probably
24 would. As Mr. Rutherford has pointed out, it would be an
25 advantage to them, too.

26 THE WITNESS: During this
27 schedule of three years of construction, should Foothills
28 get it, it's approximately \$4 billion; should you get
29 it, it's approximately \$6 billion; that's a large
30 amount of money to be drawing out of the financial

1 capabilities of Canada right now today with the high
2 interest rate and the excellent return on investor's
3 money there seems to be a fair amount of capital around
4 and available. I'm not sure what it will be like two
5 years down the road, should this project take place. Do
6 you not think that you will be drawing upon too much of
7 Canada's capital assets to make it hard to do other
8 projects and other forms of financing in Canada during
9 these three years?

10 MR. WORKMAN: Our financial
11 people have looked at this to see the overall effect on
12 Canada and on the Canadian dollar, and it's amazing that
13 it turns out to be a very insignificant effect. We feel
14 Canada can absorb this quite easily.

15 THE WITNESS: In your case it
16 was Gemini North that did the micro-macro economic
17 preparations for your statement, is that not true?

18 MR. WORKMAN: I think we've had
19 other consultants as well.

20 THE WITNESS: Who were they?

21 MR. WORKMAN: I can't -- I'm not
22 sure of the actual consultants, but we do have other
23 economic consultants.

24 THE COMMISSIONER: Regarding the
25 impact north of 60, was it Gemini North that you relied
26 upon?

27 MR. WORKMAN: Gemini North was
28 our major consultant in economics. Yes, we have had
29 others, we've had -- van Ginkle has been involved and
30 we've had other economic advisors too.

1 THE WITNESS The point that I'm
2 getting at is that I have read Gemini North's
3 presentation which is more of a microform of the
4 northern, north of 60, as you pointed out, economic
5 picture, and I find that the models that they used in
6 their economic statement has happened and what is
7 presently here projecting it through the six-year model
8 that they used, their figures do not hold water and I'm
9 hoping that during the fourth phase of the hearing,
10 during, socio-economic, that Gemini North will be present
11 to answer questions on this.

12 THE COMMISSIONER: Well, we
13 understand they will be, in fact I directed in my rulings
14 that the people who prepared the material that Arctic Gas
15 submitted should be brought forward, and they have been
16 so far. We just haven't reached Gemini North yet.
17 Forgive me for answering that, but that's what we intend
18 to see occur.

19 MR. WORKMAN: I'm sure they will
20 be.

21 THE WITNESS: Then we will have
22 an opportunity to question them at a later date.

23 MR. RUTHERFORD: Excuse me,
24 could I interject? I don't think your comparisons of
25 capital cost are right. I don't think you're quite
26 comparing oranges and oranges. I think you've got a
27 little apples and oranges. What I wanted to point out to
28 you was that you know that Foothills itself is raising
29 1.8 billion. You know that then A.G.T.L. Canada and
30 A.G.T.L. has to raise the money or expansion of its

1 | system with Alberta, and you know that Westcoast has to
2 | raise money for the expansion of its system within
3 | British Columbia, and that TransCanada has to raise money
4 | for the expansion of its system? I just would request
5 | that when you compare like the Maple Leaf project with e
6 | Gas Arctic project, that you're sure that you add up each
7 | element in both circumstances so that in our case if you
8 | add Foothills plus A.G.T.L. plus TransCanada, plus
9 | Westcoast, be sure that you add TransCanada plus
10 | Westcoast to Gas Arctic when you compare our capital
11 | cost with those, because you're too high on our capital
12 | costs.

13 | THE WITNESS: I haven't seen a
14 | copy of your socio-economic statement, that's why I'm not
15 | quite familiar with your models and projections you have.

16 | THE COMMISSIONER: Mr.
17 | Rutherford, just so that we're not under any
18 | misunderstanding, the cost -- the amount of money
19 | that Foothills will have to go into the capital markets
20 | to obtain in order to build the pipeline from the
21 | Mackenzie Delta to the 60th Parallel is 1.8 billion, is
22 | that right?

23 | MR. RUTHERFORD: That's correct.
24 | The first financing.

25 | THE COMMISSIONER: Yes. Now, if
26 | you add to that the cost of expanding the Westcoast
27 | system, the Alberta Gas Trunk system, and the TransCanada
28 | system, you get the figure of 4.2 billion that Mr. Erion
29 | used. Is that right?

30 | MR. RUTHERFORD: You get 3.5

1 billion.

2 THE COMMISSIONER: All right.

3 MR. RUTHERFORD: If you add
4 Foothills, Alberta Gas Trunk Line Canada, Alberta Gas
5 Trunk Line, and Westcoast, and you go right through 1984,
6 you get 3.5 billion, including all of those.

7 THE COMMISSIONER: Well, where
8 did Mr. Erion get the figure, and where did I get the
9 figure of 4.2 billion?

10 MR. RUTHERFORD: I don't know,
11 Mr. Berger.

12 THE COMMISSIONER: Well --

13 THE WITNESS: I thought it was
14 stated on Monday that that was the cost. That was what I
15 was drawing upon, just from memory.

16 THE COMMISSIONER: I thought Mr.
17 Blair told us that. I must be slowly losing my mind.

18 MR. RUTHERFORD: We've been
19 aware, you know, for some time that when we are compared
20 with Gas Arctic that we are not compared on even basis,
21 and I'm not trying to criticize Gas Arctic, I'm
22 criticizing almost the people that take our figures, and
23 when we quote our figures, we have added expansion of
24 Westcoast and I don't believe Gas Arctic's figure does.
25 I know it does not. We have added the expansion of
26 TransCanada and I don't believe theirs does. But let me
27 correct my statement to you, because I'm misleading you
28 too. The 3.5 billion dollars does not include the
29 expansion of the TransCanada, possibly the \$4.2
30 billion that you're speaking of includes TransCanada.

1 | The figure on my sheet that I just quoted you are
2 | Foothills, A.G.T.L., and Westcoast.

3 | THE WITNESS: Yes.

4 | THE COMMISSIONER: And I think
5 | that the figures we were given two weeks ago in
6 | Yellowknife, as a matter of fact, showed that if you
7 | include the cost of expanding the TransCanada system you
8 | got 4,2.

9 | MR. RUTHERFORD: Yes, it would
10 | be approximately 4 billion, and that's probably the
11 | figure that you had.

12 | THE COMMISSIONER: Excuse me,
13 | let's just settle this before we go on, Mr. Workman, the
14 | figure of 7.1 billion for Arctic Gas, as I understand it,
15 | is the cost of building the pipeline from Prudhoe Bay
16 | across the Northern Yukon to the Mackenzie Delta, and the
17 | cost then of building the Parsons Lake supply leg , the
18 | Richards Island supply leg, and then the main trunk line
19 | south through the Territories, through the provinces, and
20 | into the United States; is that where the 7,1 billion
21 | takes us?

22 | MR. WORKMAN: I can't say
23 | exactly what the 7.1 is, I think that's probably right,
24 | but the 5.6 billion is strictly from the U.S. border in
25 | Alaska, Yukon border and the delta down through the
26 | Territories, splitting it in Central Alberta, one leg
27 | going to the Montana border and the other going east to
28 | tie in with the TransCanada.

29 | THE COMMISSIONER: Right, Now
30 | that's 5.6 billion for your main trunk line.

1 MR. WORKMAN: Yes.

2 THE COMMISSIONER: But if you
3 added in the cost of expanding the TransCanada system and
4 the Westcoast system, that would give us the figure
5 comparable to Mr. Rutherford's 4.2 billion.

6 MR. WORKMAN: That 5.6 does not
7 include Westcoast. We don't show a tie-in to Westcoast.

8 THE COMMISSIONER: All right.

9 MR. WORKMAN: If there is any
10 expansion there and expansion on the TransCanada, it
11 would be added to the 5.6.

12 THE COMMISSIONER: Well, Mr.
13 Erion's point has from the beginning been that to what
14 extent are the capital markets going to be called upon to
15 supply funds, whether they are called Foothills or
16 TransCanada or whether they're called Arctic Gas or
17 TransCanada, and just to be fair to him and Mr.
18 Rutherford was trying to make the point that to compare
19 the 4,2 billion, to you people, you would have to add to
20 5.6 the cost of expanding TransCanada and perhaps
21 Westcoast and that if you were going to compare your 5,6
22 billion to Foothills, it should be a comparison with his
23 1.8 billion. Is that right?

24 MR. RUTHERFORD: No, I don't
25 think that will be fair. That will be great if you
26 wanted to do that, but it wouldn't be fair because their
27 expenditure takes them down to the United States border
28 and you would have-to add the expansion of A.G.T.L.

29 THE COMMISSIONER: Yes.

30 MR. RUTHERFORD: -- to ours to

1 | get to the border, yes.

2 | THE COMMISSIONER: And that
3 | would give us what?

4 | MR. RUTHERFORD: I don't have
5 | that figure, but I would think it's about 2 billion.

6 | THE COMMISSIONER: So that would
7 | be --

8 | MR. RUTHERFORD: No, I'm sorry.
9 | It's about -- oh, well, let me give you the A.G.T.L.
10 | Canada and A.G.T.L. A.G.T.L. Canada's expenditure is
11 | 73.4 million -- no, 80.5 million, sorry, 80.5 million;
12 | Alberta Gas Trunk Line is 711 million dollars.

13 | THE COMMISSIONER: So your 1.8
14 | plus about 800 million is 2.6, 2.6 is the comparison with
15 | 5.6.

16 | MR. WORKMAN: Well, I'm not sure
17 | we're still not talking about apples and oranges, though,
18 | is the Alberta Gas Trunk system parallel or equivalent to
19 | what Arctic Gas is proposing in Alberta or South-Eastern
20 | B.C.?

21 | THE COMMISSIONER: Well, I think
22 | that that's something we can go into later at greater
23 | length, but I'm trying to help myself as well as I was
24 | trying to help you out.

25 | THE WITNESS: Could I just maybe
26 | have a figure from each of you?

27 | MR. RUTHERFORD: Could I give
28 | you a different figure because you're talking about the
29 | money required from the market.

30 | THE WITNESS: Right.

1 MR. RUTHERFORD: We are talking
2 about the total expenditure when the pipeline is fully
3 powered.

4 THE WITNESS: Right.

5 MR. RUTHERFORD: And from the
6 date it comes into operation, the expansion of the
7 pipeline is taken care of by internal funds in the
8 financial plan that is projected. So for our project e
9 money that has to come from the financing of the project
10 through -- well, right till it's fully powered, and
11 including all four segments -- Foothills, A.G.T., Canada
12 A.G.T.L. and Westcoast Transmission -- that's the total
13 money we need and that leaves out the expansion of
14 TransCanada, but the other parts is 2.4 billion dollars,
15 so that's 2.4 billion dollars to come on the market place
16 for all of our combined companies.

17 THE COMMISSIONER: Right, The
18 rest will come from cash flow.

19 MR. RUTHERFORD: The rest comes
20 on cash flow.

21 THE WITNESS: O.K., and what's
22 Arctic Gas' figure?

23 MR. WORKMAN: I'm not sure, I
24 don't have those figures in front of me, Gordon. Maybe
25 can get these for you on an equivalent basis.

26 THE WITNESS: I'll go onto my
27 final question. Would it be more economic for the
28 Foothills company to rather than run spur lines into the
29 communities and the Territories, the ten various
30 communities, to directly subsidize the traditional

1 | feels that we are using now? I'm sure that probably the
2 | method that you're endeavoring to calculate this spur
3 | line cost on is amortizing it over say 15 or 20 years.
4 | Would it not be cheaper to the capital cost of the
5 | project and to you know, sort of produce more royalties
6 | in the end to directly subsidize the fuel costs in the
7 | north today as compared with the cost of delivered gas
8 | when the line is completed?

9 | MR. RUTHERFORD: No. We've
10 | looked at that. We've adopted the plan we did after a
11 | close look at that. The trouble with what you're
12 | suggesting is that you don't know what that subsidy is in
13 | the future, even if it were cheaper in the early years
14 | and see, in some places it might be; in others it would
15 | not. But as a continuing thing, what we are saying is
16 | we're going to build those laterals as part of the
17 | original construction. Once that lateral is built then
18 | that's a fixed subsidy for say 20 years, it's a fixed
19 | amount, and it is the business we're in and on analysis
20 | we feel that this is the best way to do it.

21 | THE WITNESS: O.K., let me
22 | break it further. I think that you're probably correct
23 | in the communities along the corridor; but for places
24 | like Yellowknife, Fort Smith, some of the other
25 | communities that you'd be running it into, would it not
26 | be cheaper to either subsidize or find another method of
27 | delivering the gas to those communities rather than run a
28 | spur line in?

29 | MR. RUTHERFORD: No. Your
30 | point is well taken but we don't feel that it would and

1 I think one of the main reasons is what's going to be
2 ten years after we are in business, what, you know, how--
3 ; this is a positive physical defined way of doing this,
4 and it results in that gas in those communities for the
5 next 20 years or so.

6 THE WITNESS: O.K., I just have
7 this thing about Yellowknife. They get everything you
8 know.

9 I have just a short statement I
10 would like to make, a personal thing, Mr. Lamothe spoke
11 yesterday comparing the Athapaskan way of life to the
12 industrial society and he seemed to feel that the
13 Athapaskan way of life was far superior because the
14 people were happy in those days, they had self-esteem,
15 values, unity in the family, future for their young.
16 These are all values and aspects of the way of life to
17 which I was raised. The industrial society has one
18 economic basis, working to further oneself, to train
19 one's mind, to perfect one's abilities, and to be happy
20 with the accomplishments of producing and reaping the
21 benefits.

22 This work ethic fills me with
23 happiness and self-esteem. One of the problems of our
24 society is the permissiveness of subsidies from
25 government. We are not doing these people any favors by
26 giving them something for nothing. The essence of self-
27 esteem is to work to further oneself.

28 I am a young man full of energy.
29 One of the joys of living in today's industrial society
30 for me is the number of opportunities available. I can

1 do anything I want to do today. Maybe I have to work
2 hard for some of these things, but the enjoyment of the
3 benefits is incredible, Like the song says:

4 "You can do anything you want this time around
5 You can be anything you want this time around,"

6 I urge you, Justice Berger, to
7 recommend controls on this project that will benefit
8 locals so that all may do anything they want this time
9 around.

10 THE COMMISSIONER: Thank you,
11 Mr. Erion,

12 (SUBMISSION OF GORDON ERION MARKED EXHIBIT C-204)

13 (WITNESS ASIDE)

14 MRS. MARY FIZER resumed:

15 THE WITNESS: I just wanted to
16 ask, I've never been to a pipeline town, so to speak, and
17 I understand there are such towns in Alberta such as Swan
18 Hills, If the pipeline is built by either of the
19 applicants, do you have plans -- I believe in Arctic Gas'
20 case it's 65 people will be left in Simpson, in
21 Foothills' case approximately 91 -- do you have plans to
22 provide these people, should the village not have things
23 such as recreation complexes, swimming pools, good hockey
24 rinks, etc., etc.?

25 THE COMMISSIONER: You should
26 fill in the rest while you're at it.

27 MR. RUTHERFORD: I think perhaps
28 a good example for you would be to look at Fort Nelson
29 and Fort St. John, You know they were developed by
30 Westcoast Transmission, which is the company I come

1 | from. I'm a Foothills' officer, a full-time Foothills'
2 | officer now but I was a full-time officer of Westcoast
3 | or many years, and Inland Natural Gas before that, so
4 | I've been involved in -- and Pacific Northern, I was
5 | president also -- I've been involved in a lot of
6 | pipelines and seen them built and had a part in
7 | building them, and stayed to operate them afterwards,
8 | and I think that we have done a lot for Fort Nelson,
9 | Fort St. John, and all the various communities along
10 | the pipeline.

11 | MR. WORKMAN: Part of my
12 | background has been with Imperial Oil, and I've lived in
13 | a company town, Norman Wells, and at one time it was a
14 | real company town. Imperial was the paternalistic
15 | provider for everybody in the community, and I guess
16 | this is fine when you try to get a small camp
17 | established in the wilds somewhere; but Imperial's
18 | attitude is that owns should not be run by companies,
19 | they should be run by the people who live in the
20 | community; and as Norman Wells grew, other industries
21 | moved in, other people moved in and Imperial's policy
22 | was to try to get out of this paternalistic attitude.
23 | Rather than operate Community Halls themselves, provide
24 | assistance or the community to build their own Community
25 | Hall, one of these projects cost Imperial more money
26 | than to build them and operate it themselves, but they
27 | felt that being a good citizen of the community, that
28 | was the way to go.

29 | Arctic Gas, I'm sure, will
30 | have a similar policy of being a good citizen of

1 | whatever community they're in, and if a large number of
2 | employees e going to be residing in Fort Simpson, then I
3 | think it's Arctic Gas' responsibility to contribute to
4 | help that community in recreation, hospitals and so on;
5 | but think it should be the people of Fort Simpson that
6 | like the recreation business ID hand, the running the
7 | community in hand, and it should not be up to the
8 | company that moves in to try and run things. Let the
9 | people in the community run it. Let the companies that
10 | are in that area assist the people financially and so
11 | on.

12 | (WITNESS ASIDE)

13 |
14 | CHRIS HAMMOND resumed:

15 | THE WITNESS: There was
16 | reference today to somebody who gets a pay cheque from
17 | Ottawa every two weeks jumping up and down. I'd like to
18 | say something. The views I've expressed are my own.
19 | They no way reflect the attitudes of Environment Canada,
20 | they can speak for themselves and I'd just like to say
21 | that.

22 | THE COMMISSIONER: You're not
23 | speaking for the Government of Canada.

24 | A No, I'm not. Would you
25 | like me to? I'd like to say one further --

26 |
27 | Q Would they like you to?

28 | A I'll phone Ottawa.

29 | Mr. Cowie made a reference to
30 | if pipeline came, I've made a reference to our progress

1 and how our land bears the scar of progress and Mr.
2 Cowie made reference to the fact that a pipeline would
3 not barely be seen; but you bring in a pipeline and then
4 you have to bring in service industries. They require
5 land, and that service industry seems always to be
6 depending on another service industry, and they want
7 more land. I've spoke often of my fear of what this
8 life will be for children in generations to come, and
9 I've a great fear that they won't see anything that man
10 has not put here.

11 I look to the south to the
12 cities where I spent much of my time and all I see is
13 concrete, asphalt, and the like; and then people of the
14 city seem to travel a great distances to get away from
15 that, but they go to spots which are called recreation
16 areas and what is there but thousands of people doing the
17 same thing?

18 But here in Fort Simpson I
19 can paddle across the Snye or whatever means I have to
20 get across there, or across the Mackenzie, and I find
21 a very peaceful environment, something very
22 fulfilling. As I said earlier, I fear greatly that
23 the day will come when we, too, people who live along
24 the Mackenzie will have to travel great distances to
25 get away from it all, and I really don't want to see
26 this day will ever come.

27 I just have a great fear for
28 -- I keep reiterating this, I keep saying it over and
29 over -- for the children of generations to come. It
30 really frightens me. I said earlier that the land,

1 | people have been arguing about the land, and I said that
2 | the land belongs to those children and we are the keepers
3 | of it, and maybe we have overstepped our jurisdiction and
4 | we have taken much more than we rightfully have. I'd
5 | just like us to maybe stop for a while and see what we
6 | are going to do with this land because I look to the
7 | south and I see urban sprawl, I see people of the south
8 | rebelling against construction that is taking away their
9 | land. They are trying to stop airports there, trying to
10 | stop freeways.

11 | I look to California and I see
12 | if the paving continues at the rate it is today, the
13 | State of California will be totally paved by the year
14 | 2000, That's not a very aesthetic thing to look at.

15 | So I just wish we'd slow down
16 | for a while and just take our time, think of the land
17 | more than anything else, and the people that live off
18 | that land. Thank you.

19 | THE COMMISSIONER: Thank you
20 | very much, Mr. Hammond.

21 |
22 | (WITNESS ASIDE)

23 |
24 |
25 | FRANCOIS PAULLETTE resumed:
26 | THE WITNESS: I would like to
27 | direct my question to the oil companies, or the gas.
28 | What is -- for the benefit of other people who aren't
29 | following the procedures in the hearings -what is your
30 | stand with regard to land claims and land settlement?

1 MR. WORKMAN: As far as
2 Arctic Gas is concerned, we would naturally like to see
3 your land claims settled as quickly as possible.
4 However, this is something that has to be settled
5 between the Government of Canada and the native people
6 in the Northwest Territories, We just hope that this
7 can all be completed just as quickly as possible, but
8 unfortunately we can't do anything about it; it's not
9 in our area.

10 MR. RUTHERFORD: As far as
11 Foothills is concerned, I think Mr. Blair issued a
12 press release on this particular point, and we feel as
13 Mr. Workman says for Gas Arctic, we feel that the land
14 claims should be settled before the pipeline is built.
15 How long we could wait for a land settlement, we don't
16 know, Mr. Blair suggested that we were able to delay --
17 that there was going to be a delay now from the
18 original timetables due to the hearings in Ottawa,
19 which we don't anticipate a decision now until the fall
20 of next year; I think that automatically delays the
21 construction program one year. He suggested that
22 another year's delay would be possible in Foothills'
23 case, I think our feeling is that that should be timed,
24 that we feel that there should be diligent work towards
25 settling the land claims right now, and that they
26 should be able to be settled in time to let us proceed
27 within about that time frame.

28 What would happen if they were
29 not settled by that time, we are not prepared to say,
30 There is great pressure, as you know, from the rest of

1 | Canada to proceed with this pipeline, and I think our
2 | feeling is that you should get on with the settlement and
3 | that you have time to settle it before the pipeline will
4 | be built.

5 | THE WITNESS: I have another
6 | me, another question. In respect to -- not to this
7 | gas pipeline but to the oil pipeline, I understand there
8 | is also talk of extracting oil from the delta, do
9 | another procedure of this sort like this particular
10 | hearing --

11 | THE COMMISSIONER: I can't --

12 | THE WITNESS: -- have to go on?

13 | THE COMMISSIONER: I'll answer
14 | that. If this pipeline were built and then the group of
15 | companies which has already advised the Government of
16 | Canada it wishes to build an oil pipeline by 1983, it's
17 | already told the government that, if it were to go to
18 | the Government of Canada and say in two years or three
19 | years and were to say, "All right, we're ready to go, we
20 | want to go ahead now. Will you let us go ahead?"

21 | They would have to go to the
22 | National Energy Board and then the National Energy Board's
23 | decision, if it were in favor of a pipeline, would have to
24 | be approved by the Cabinet. But that is the only
25 | provision there is under the law in that regard. Any
26 | right-of-way they sought through the Northwest Territories
27 | would have to be approved by the Minister of Indian
28 | Affairs & Northern Development, but this Inquiry is unique
29 | in Canadian experience because what has happened here is
30 | that the Cabinet, on the Minister's recommendations

1 | has said, "We will have an Inquiry to see what the impact
2 | of all of it will be north of 60 in the Yukon and the
3 | Northwest Territories."

4 | Whether they would establish
5 | another Inquiry is something that I can't tell you, and
6 | all I can tell you is that the Minister would have to
7 | approve a right-of-way, so that it would have to go to
8 | the Minister, and the National Energy Board would have to
9 | grant a certificate of public convenience and necessity
10 | so that it would have to go to the National Energy Board

11 | I think really that's all I
12 | can say, The Federal Government in the pipeline
13 | guidelines, though, has said to me, "Look, if we build
14 | this gas pipeline they will probably come along and want
15 | to build an oil pipeline as well. So go up there, see
16 | what the impact of a gas pipeline will be, and an oil
17 | pipeline too, and then we'll decide whether we want to
18 | go ahead with the gas pipeline, because if we do we know
19 | it will likely mean an oil pipeline afterward,."

20 | That's the best I can do.
21 | It's the end of the tape, we'll just stop for a moment.

22 | O.K., anything else, Mr.
23 | Paullette?

24 | THE WITNESS: Yes, getting
25 | back to this last question, the impact of the gas
26 | pipeline hasn't even been touched except for what the
27 | people have been saying. Like all this particular
28 | hearing is opinions and views with regards to the
29 | pipeline, the social, environmental, economical impact.
30 | But the actual impact after the pipeline is built is

1 | not in reality, so if the impact were in reality, and as
2 | people have said that it will be destroying the land,
3 | wouldn't you' think that an oil pipeline would be
4 | rejected because of that?

5 | THE COMMISSIONER: Well, I
6 | don't know.

7 | THE WITNESS: You know, this
8 | question -- because you haven't answered me at all.

9 | THE COMMISSIONER: Well,
10 | that's a failing in me and I've done my best, and there
11 | we are. I didn't lay out the terms of reference of the
12 | Inquiry and I didn't make the pipeline guidelines. I'm
13 | telling you what they say, and if it isn't easy to
14 | understand what they say there's a reason for that.
15 | It's because it isn't easy to understand what they say.
16 | It isn't easy for me, is what I am telling you.

17 | THE WITNESS: O.K., I'll just
18 | leave it at that, because you know a gas pipeline is not
19 | in reality yet, so therefore there's no impact. But the
20 | impact is coming is just a views in regards to the
21 | coming pipeline.

22 | THE COMMISSIONER: That's right.
23 | I should perhaps tell you that I have been to visit the
24 | site near Kingston, Ontario, where TransCanada Pipelines
25 | is looping it's TransCanada gas pipeline system. I was
26 | down there to watch them constructing it. I've been to
27 | Alaska to observe the construction of the Alyeska oil
28 | pipeline and to observe the impact of construction in
29 | the socio-economic and an environmental sense in that
30 | state, So I've gone wherever I could to look at things

1 | that are a reality now and see what's happening. That's
2 | the best I can do. We are here to listen to your
3 | opinions, not I can't gather everybody in the Northwest
4 | Territories into a big hail in Yellowknife rid all of us
5 | stay there for a year to discuss this, so I have to go up
6 | and down the valley and talk to you.

7 | MRS. FIZER: Mr. Berger, would
8 | you suggest to Francois Paullette that perhaps after,
9 | should the gas pipeline be built, after the impact has
10 | been felt application is made for an oil pipeline, that
11 | if public pressure were such north of 60 that another
12 | Inquiry would probably be held?

13 | THE COMMISSIONER: I don't
14 | know.

15 | MRS. FIZER: But this would be
16 | the best answer, that probably public opinion would
17 | determine whether or not another one was held.

18 | THE COMMISSIONER: Well, thank
19 | you, Mr. Paullette. Thank you, Mrs. Fizer.

20 | (WITNESS ASIDE)

21 | THE COMMISSIONER: I have a
22 | feeling we're running out the string here at Fort
23 | Simpson. Does anyone else wish to say anything? Yes
24 | sir.

25 | GERRY MICHAUD resumed:

26 | THE WITNESS: Mr. Berger, I
27 | have only one question, Al Dodd requested that you visit
28 | Hire North because they do have 50 men located there. I
29 | would like to pose that as a questions: Do you plan on
30 | visiting Hire North?

1 THE COMMISSIONER: Well yes, I
2 do, and I understand we're going there tomorrow, is it
3 tomorrow, Mr. Dodd?

4 THE WITNESS: O.K., I just
5 wanted to know, because he had requested but we didn't
6 get an answer.

7 THE COMMISSIONER: Well, you
8 got your answer.

9 (WITNESS ASIDE)

10 BUTCH GRNON sworn:

11 THE COMMISSIONER: Go ahead,
12 sir.

13 THE WITNESS: O.K., to start
14 off with, my name is Butch Grnon, and anything I say
15 today is strictly personal opinion, nothing to do with
16 anyone I'm affiliated with.

17 The first day of the Inquiry
18 -- and I missed quite a bit of the Inquiry in Fort
19 Simpson -- the first night you stated that if anyone
20 had an opposing view that anything that was said would
21 be heard, and most of what I have to say today is
22 opposing statements I've heard from quite a few parties
23 involved.

24 To start with, one speech made
25 reference to Winslow, the first white man in the
26 Territories or in Fort Simpson, I should say, and how he
27 felt about the people. I feel that Winslow represented
28 the Hudson's Bay Company, and the Hudson's Bay Company
29 has a notorious reputation for exploiting people
30 almost anywhere they've been. So I really don't feel

1 | even present today in Ireland. We hear various remarks
2 | of southerners coming up here for one or two years to
3 | make their million, whatever it is, and then leaving for
4 | south, yet you have 75 bishops, the majority of which
5 | but not all, have never been in the Northwest
6 | Territories, putting out a paper opposing a pipeline
7 | which has nothing to do with them.

8 | You also had a comparison of
9 | the Eskimo -- I'm sorry, had also a comparison of the
10 | Hawaiian people to the northern people. I'd like to
11 | talk in comparison with the Eskimo people and the people
12 | in this area. The Eskimo culture is better now than
13 | it's ever been. They produce more. They are more
14 | widely known and understood than they've ever been
15 | before. There are drawbacks, I agree with that, but I
16 | think on the whole the Eskimo people are better off now
17 | than they've ever been before.

18 | I'd also like to draw another
19 | comparison, I lived in Europe, specifically Germany for
20 | 21/2 years, and there was a remark made that the
21 | industrial age or the industrial society does not give
22 | one time to be themselves, or that we go at too fast a
23 | pace. Germany is one of the leading industrial nations,
24 | and is rapidly rising on the scale. Yet living there,
25 | their people are very, very relaxed, very - they take
26 | time to do everything like businesses, for instance,
27 | have a 21/2-hour lunch hour so that the people, the
28 | staff, can enjoy their lunch hours. They take 21/2 to 3
29 | hours for a supper meal, which is something North
30 | Americans don't do.

