

*Canada Oil and Gas Act*

This cannot be surprising since there were some years when the territorial council did not meet at all. By default, the administration of the area rested in the hands of the RCMP. Church missions supplied education, health and welfare services. Prime Minister Louis St. Laurent described this phase of southern Canada's attitude toward the north in 1953. He said, "Apparently we have administered these vast territories of the north in an almost continuing state of absence of mind".

Changes came only with the Second World War, when the north became of strategic importance to the federal government. Suddenly roads were built and the level of federal government activity increased. In the face of this new attention, residents of the territories demanded to be allowed to participate in the process of change which they could see taking place. They won their first battle when, in 1947, the Northwest Territories was permitted to send its first representatives to Parliament. A second milestone was reached in 1951 when three members of council were elected rather than appointed. At last, a hint of responsible government returned to the Northwest Territories, just 84 years behind the rest of the country. In fact, if my memory serves me correctly, Canadian voters in the eastern Arctic did not have an opportunity to vote until 1961.

Little more was accomplished until the decade of the sixties. In quick succession the rules were changed permitting more and more members of council to be elected. The direct influence of Ottawa diminished accordingly. By 1970 local government was permitted to take responsibility for such services as education, welfare and municipal affairs. This was a period when southern Canada's interest in the north was almost entirely absent.

Although there seemed to be momentum for the development of local government, there was at that time, however, another factor that came into play. Oil and gas were discovered in the high Arctic. Energy reserves in the north became a subject of national interest. The federal government was forced to alter its time-honoured approach to the north. Benign neglect would no longer do. Active control, and in the case of Bill C-48 outright confiscation, rules the day.

By the middle of the 1970s, ten government departments were well and truly entrenched in the north. Understandably, the territorial government viewed their activities with distrust. Such a strong federal presence trampled the efforts to develop a local system of government and the residents objected strenuously. In the face of such opposition, the federal government was forced to pass legislation to strengthen the territorial council. In 1974, it finally became a fully elected body.

It is clear from this history that all federal initiatives have been related to demand for northern resources. I should point out that the network of roads in the Yukon, the construction of the railway north to Pine Point, and the construction of the Mackenzie and Dempster Highways, were all linked to actual or impending resource development.

● (1650)

Today, Mr. Speaker, local government in the north has become fairly sophisticated. Its legislative powers are similar to those of the provinces, with some major exceptions. The most important one is that the territories have no ability to exert any fiscal authority, the power to decide how revenues can be spent. In addition all natural resources, with the exception of game, remain the exclusive responsibility of the federal government. Those resources, of course, include land, and in the Yukon it is impossible or very difficult for Yukoners to buy a piece of land even to build their homes.

While residents are proud of the political status they have achieved, their ability to govern themselves is still severely limited by these unfair constraints. Because they have no control over, and receive no royalties from, the development of their natural resources, they lack an adequate revenue base to sustain their local government and the goal of eventual provincial status.

As I wrote in a report on the social and economic impacts of the proposed Foothills pipeline in 1974, the NWT's major sources of revenue came from private sector licence fees in a region where government is the biggest business; a fuel tax in a region where gasoline can cost twice as much as in the south; a liquor tax in a region where alcohol abuse is rampant; and a general sales tax in a region where a major sector of the population exists below the poverty level.

Today, northerners still lack the right to set their fiscal priorities or decide how their tax dollars are spent, and they still lack the resource revenues to sustain any hope of self-government. The Arctic of Canada remains a colonial Arctic. At the same time it has a growing population, with rising expectations resulting from resource development which is creating an unprecedented level of demand for services, services which the territories do not have the fiscal power to provide for themselves. This is the situation which now faces the north. This is the situation that Bill C-48 is only going to make worse.

My party supports the objective of achieving provincial status for the Yukon. We support a strong system of local government for the Northwest Territories. But self-government will remain an impossible dream for the north as long as the federal government continues to regard the region as a colony ripe for exploitation. The north will be a colony until the federal government allows it to have a more equitable share of resource revenues and grants Canadians in the north the same rights and privileges as southern Canadians enjoy.

It is not too late for the federal government to change. It is my hope that the federal government will learn from the lessons of history and pass legislation that will be sensitive to the needs of the north, more specifically, legislation that will not retard the political development of the north.

I do not believe this is too much to ask for. It is not too much to expect that the government will live up to the priorities that it set for itself in 1972 when the current Minister of Justice (Mr. Chrétien) was Minister of Indian Affairs and Northern Development. In outlining his objectives