

staking rush and there has been a need for fast reliable communication with Ottawa.

Mr. DINSDALE: Is it true, Mr. Minister, that the telephone communications just went in, in the last few weeks?

Mr. LAING: Yes, in the case of telephones, but general communication has been extended and improved also.

Mr. E. A. CÔTÉ (*Deputy Minister, Department of Northern Affairs and National Resources*): I might say in that regard, Mr. Chairman, that in so far as this particular item is involved, there are two aspects. One is the telephone service charges. The government, by and large, has been recently charging the various departments a proportionate amount for long distance telephone calls. We are now able to dial direct over the government system out to the various central points in western Canada and to the north. We are providing for that sort of expenditure. There will be a land link down to Inuvik this late August and we are providing for that as well and we will be in telex communications. By the development of the telephone and telex communications, the Department is now getting into closer contact with the various remote areas and is now going to be able to decentralize the administration a good deal more because of these telex and telephone communications. On the whole, we have reviewed recently, department-wise, what savings could be effected as the result of this and while the costs are going up each year in what has been allocated to the various areas, we are convinced that there are savings of several tens of thousands of dollars to be effected gradually, commencing this year in the total expenditures on telephone and telex. It does not mean that the level of activity will not be higher, it is going to be higher but we are going to be able to reduce the costs from what they would be if we were doing the same thing by ordinary telegram or ordinary long distance telephone calls.

Mr. LAING: Mr. Chairman, in reply to Mr. Hales also, I think we probably put it on the record already but the total production of minerals in the Northwest Territories in 1964 was \$17 million. In 1965 it was \$72 million. I will prophesy this year it will be over \$100 million. The fact of the matter is, they have more to talk about. There is a lot of activity on this.

Mr. HALES: I thought we put this direct dialing system in to save the government money, not to spend more money. I am from Missouri, I want to see in next year's estimates where you save any money. I venture to say it will be increased rather than saved.

Mr. LAING: May I point this out to you. The C.N. telecommunications, in order to put that service in, spent \$22 million.

Mr. HALES: Is this part of this increase?

Mr. MACDONALD: I think, sir, we must point out that under this heading which is called "resource development" you have got to get in behind the things the deputy said which are the over-all efficiencies and costs, one hopes. But in this particular area that is a direct reflection of the increased economic activity in the north, the staking, rush and all the administrative details that follow