

ent, whether they are under the control of government, private industry, or the various native groups. The Berger Report assumes that resource development and related activity will continue and should do so, as long as it complements, rather than displaces, the traditional mixed economy of the native communities.

The northern economy is, moreover, sharply affected by external factors such as inflation, transportation costs, and non-renewable resource activity, or the lack of it. Judge Berger has noted these factors, among others, in his comments on the economic impacts of pipeline construction. They would exist whether or not a pipeline was built in the Mackenzie Valley in the near future or after a delay.

As the report suggests, the small, predominantly native communities, with their involvement in native economic pursuits, are perhaps better able to weather changes and fluctuations in the northern economy than the larger, mixed communities where the local enterprise tends to be largely in the service sector and in support of major resource development. This accounts in part for the concerns being expressed in Yellowknife and in other towns in the Northwest Territories about the Berger Report.

It also underlines what we have increasingly realized, and what the Berger evidence reinforces: that there must be a more cohesive strategy of economic development in the Northwest Territories, and in the Yukon for that matter. It must be shaped in the north through participation of all the interests involved there: government, industry, and native peoples. It must be related to claims negotiations and settlements and to constitutional development in each of the two territories during the coming years.

Most of the tensions and pressures in the Northwest Territories today can be traced to three major sources: first, the general demand for a greater degree of self-government; second, the determination of the native peoples to gain recognition and power through land claims; and third, the urgent need for direction and pacing in the development of the economy. These three factors, and the disruptive forces they let loose, interact among themselves and bear heavily on the whole question of how the Northwest Territories is to evolve politically in the years to come.

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to inform the hon. minister that his allotted time has expired. Nevertheless, he may continue with unanimous consent. Is there unanimous consent?

**Some hon. Members:** Agreed.

**Mr. Allmand:** Mr. Speaker, I have only a few minutes to go, and I thank the House for its permission.

As Judge Berger has suggested, the way we resolve these issues and situations in the north may tell us quite a lot about ourselves and our country. Certainly there are some national implications of grand magnitude, beginning with the claims settlement that can be contemplated.

### *Mackenzie Valley Pipeline*

The various processes set up for negotiating land claim settlements are not sufficient to serve all the major purposes involved in the north. Neither are the normal processes and channels for government to government communication. Both these processes will continue and, no doubt, grow in importance, but in addition there is an apparent need for an essentially political process of consultation and negotiation about constitutional issues. It should be systematic, action oriented, and ongoing, under the direct guidance of the minister responsible. It should have for its mandate and framework for conducting business a broad policy statement endorsed by the federal government and take into account the various views which have been expressed by all interested groups in the Yukon and Northwest Territories.

● (1450)

During recent months I have been engaged in preliminary consultations with these groups about the policy statement and political process I have in mind. Once these preliminary discussions have been concluded, I intend to make recommendations to cabinet about the whole matter. Although I would be the last person to underestimate the complexity of the issues involved, I am hopeful that the proposed policy statement can be ready for publication this summer.

I believe we are indebted to Mr. Justice Berger for the way in which he has carried out his demanding task. I have already indicated ways in which views expressed in his report related to my responsibilities as minister and to those of the government in the north. To have these important matters presented in this informative, comprehensive, and readable report is bound to enhance public understanding of the major issues involved.

Before concluding I wish to add a few words about the board of inquiry, announced on April 19, 1977, to examine in a preliminary way the socio-economic aspects of the proposed Alaska highway gas pipeline. Its establishment followed consultations with the Yukon territorial government and the Council for Yukon Indians, both of whom are represented on the board. In this way this inquiry is different from the Berger inquiry.

In the course of public hearings in the Yukon, the board is to review the application for construction of the pipeline in order to identify areas in which additional information should be provided by the applicant and where further studies may be required.

As well, the board is to advise me of the measures that should be taken, including arrangements for a further inquiry, to produce a final socio-impact statement upon which specific terms and conditions could be developed for the construction and operation of the pipeline in the event that the Alaska highway application receives approval in principle.

I emphasize the preliminary nature of this inquiry and of the report the board is asked to make by August 1. I do this because of some suggestions in the press that Dean Lysyk and his colleagues have been asked to carry out in three months a task that occupied Judge Berger for nearly three years. What