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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

PROCEEDINGS

No. 1

TUESDAY, OCTOBER 22, 1968

Including

APPENDIX A

Revised Main Estimates (1968-69) of the Department of Indian Affairs and Northern Development (Northern Canada Power Commission and Northern Transportation Company Limited).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29111—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and

Mr. Badanai,
Mr. Buchanan,
Mr. Cullen,
Mr. Dinsdale,
[1] Mr. Duquet,
Mr. Guay (*Lévis*),
Mr. Howard (*Skeena*),
Mr. Laprise,
Mr. Leblanc (*Laurier*),
Mr. Marchand (*Kamloops-Cariboo*),
Mr. McKinley,
Mr. Nielsen,
Mr. O'Connell,
Mr. Orlikow,
Mr. Simpson,
Mr. Smerchanski,
Mr. Southam,
Mr. Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Kaplan on October 10, 1968.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
TUESDAY, October 8, 1968.

Resolved,—That the following Members do compose the Standing Committee on Indian Affairs and Northern Development:

Messrs.

Badanai,	Laprise,	Orlikow,
Buchanan,	Leblanc (*Laurier*),	Simpson,
Cullen,	Marchand (*Kamloops-Cariboo*),	Smerchanski,
Dinsdale,	McKinley,	Southam,
Guay (*Lévis*),	Nielsen,	St-Pierre,
Howard (*Skeena*),	O'Connell,	Watson,
Kaplan,		Yewchuk—(20).

THURSDAY, October 10, 1968.

Ordered,—That the name of Mr. Duquet be substituted for that of Mr. Kaplan on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, October 16, 1968.

Ordered,—That, saving always the powers of the Committee of Supply in relation to the voting of public moneys, the items listed in the Revised Main Estimates for 1968-69, relating to Indian Affairs and Northern Development, the Northern Canada Power Commission and the Northern Transportation Company Limited, be withdrawn from the Committee of Supply and referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST.

ALISTAIR FRASER,
The Clerk of the House of Commons.

29111—1½

MINUTES OF PROCEEDINGS

TUESDAY, October 22, 1968.
(1)

(*Text*)

The Standing Committee on Indian Affairs and Northern Development met this day at 10:09 a.m. for the purposes of organization.

Members present: Messrs. Badanai, Buchanan, Cullen, Dinsdale, Duquet, Guay (*Lévis*), Howard (*Skeena*), Leblanc (*Laurier*), Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Southam, St-Pierre, Watson and Yewchuk—(15).

The Clerk attending and having called for nominations to elect a Chairman, it was moved by Mr. Leblanc (*Laurier*), seconded by Mr. Badanai, that Mr. Ian Watson be elected Chairman of this Committee.

On motion of Mr. Southam, seconded by Mr. Howard (*Skeena*), it was

Resolved,—That nominations be closed.

The Clerk putting the original question, it was

Resolved,—That Mr. Ian Watson be elected Chairman of this Committee.

Mr. Watson took the Chair and thanked the Committee for the honour conferred on him.

The Committee's Order of Reference dated October 16, 1968 were read.

On motion of Mr. Dinsdale, seconded by Mr. Howard (*Skeena*), it was

Agreed,—That the Sub-Committee on Agenda and Procedure, to be established later this day, consider and report back to the Committee on the method and manner the Committee should follow in considering its Order of Reference.

The Chairman called for nominations for the election of a Vice-Chairman.

It was moved by Mr. Marchand (*Kamloops-Cariboo*), seconded by Mr. Guay (*Lévis*) that Mr. Paul St-Pierre be elected Vice-Chairman of this Committee.

On motion of Mr. Badanai, seconded by Mr. Southam, it was

Resolved,—That nominations be closed.

After debate, the question being put on the original motion, it was

Resolved,—That Mr. Paul St-Pierre be elected Vice-Chairman of this Committee.

On motion of Mr. Cullen, seconded by Mr. O'Connell, it was

Agreed,—That the items listed in the Revised Main Estimates for 1968-69 relating to Indian Affairs and Northern Development, Northern Canada Power Commission and Northern Transportation Company Limited be printed as an appendix to Issue No. 1 of the proceedings of this Committee (*See Appendix "A"*).

Mr. Yewchuk moved, seconded by Mr. Howard (*Skeena*), that the Committee print 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence.

After debate, the question being put it was

Agreed,—That the Committee print 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Southam, seconded by Mr. Howard (*Skeena*), it was

Agreed,—That the Chairman, the Vice-Chairman and five (5) members, appointed by the Chairman, do compose the Sub-Committee on Agenda and Procedure.

On motion of Mr. Howard (*Skeena*), seconded by Mr. Badanai, it was

Agreed,—That the Committee adjourn to the call of the Chair.

At 10:30 a.m., the Committee adjourned to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

APPENDIX "A"

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REVISED ESTIMATES, 1968-69

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
(S)	Minister of Indian Affairs and Northern Development—Salary and Motor Car Allowance (Details, page 196)	17,000	17,000		
	ADMINISTRATION				
1	Departmental Administration (Details, page 196)	2,940,700	2,209,800	730,900	
—	Appropriation not required for 1968-69 (Details, page 197)	.....	77,580	.....	77,580
		2,940,700	2,287,380	653,320	
	INDIAN AFFAIRS				
5	Administration, Operation and Maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and Territories and with local School Boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the Provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods (Details, page 197)	101,201,000	87,034,700	14,166,300	
10	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the share of Provincial Governments of expenditures on roads and related works and equipment, construction or acquisition of works for Indian Bands, the operation and control of which may be transferred to the Indian Bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian Bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local School Boards in respect				

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS (Continued)				
10	(Continued) of the education in Indian schools of children other than Indian children (Details, page 203)	34,237,000	33,913,000	324,000	
(S)	Indian Annuities and Miscellaneous Pensions (Details, page 205)	536,000	530,420	5,580	
		135,974,000	121,478,120	14,495,880	
	NORTHERN PROGRAM				
20	Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Governments of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs (Details, page 205)	40,466,300	33,777,901	6,688,399	
25	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the Department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-				

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	NORTHERN PROGRAM (Continued)				
25	(Continued)				
	bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,195,600 (Details, page 215)....	22,265,700	21,614,801	650,899	
(S)	Northern Mineral Development Assistance Grants (Details, page 218).....	1,500,000	3,000,001	.....	1,500,001
33	Payment to the Government of the Northwest Territories in accordance with an agreement between Canada and the Northwest Territories, the agreement to provide that the Government of the Northwest Territories will not impose, levy or collect individual income taxes, corporation income taxes, corporation taxes or succession duties, as defined in the agreement; the payment to the Government of the Northwest Territories under the agreement to be calculated on the following bases: (a) A subsidy of eighty cents per head in respect of the population of the Northwest Territories as determined by the 1961 census; (b) A grant in aid of the Government and Council of the Northwest Territories of $30,000; and (c) An operating grant in the amount of $5,104,660 which, when added to the payments under paragraphs (a) and (b), will equal the estimated operating deficit of the Government of the Northwest Territories in the current fiscal year; together with payments in respect of amortization payments on outstanding loans for capital expenditures in the Northwest Territories, as provided in the agreement (Details, page 218).....	6,392,100	5,670,780	721,320	
34	Payment to the Government of the Yukon Territory in accordance with an agreement to be entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada, and the Commissioner of the Yukon Territory, on behalf of the Government of the Yukon Territory, such agreement to provide (on such terms and conditions as may be agreed upon) that the Government of the Yukon Territory will not impose, levy or collect the taxes specified in the agreement; the payment to the Government of the Yukon Territory to be calculated in accordance with such agreement; payments in respect of amortization payments on outstanding loans for capital expenditures in the Yukon Territory, as provided in the agreement; and to authorize interim payments to the Government of the Yukon Territory prior to the signing of the said agreement (the amount payable under the agreement to be reduced by the aggregate of all interim payments) (Details, page 219).....	5,576,300	4,100,000	1,476,300	
		76,200,400	68,163,483	8,036,917	

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	CONSERVATION				
	National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—				
35	Administration, Operation and Maintenance including grants as detailed in the Estimates, payment to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia (Details, page 219)...	22,217,000	19,820,000	2,397,000	
40	Construction or Acquisition of Buildings, Works, Land and Equipment including expenditures on works on other than Federal property and authority to make expenditures on proposed new national parks in the areas of Kejimkujik Lake in Nova Scotia and in New Brunswick and Newfoundland (Details, page 226).....	19,230,900	19,936,100	.....	705,200
		41,447,900	39,756,100	1,691,800	
	SUMMARY				
	To be voted.....	**254,527,000**	228,154,662	26,372,338	
	Authorized by Statute.....	**2,053,000**	3,547,421	.....	1,494,421
		256,580,000	**231,702,083**	**24,877,917**	

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works)	2,216,000	4,188,100
		Accommodation (in this Department's own buildings)	9,462,900	8,517,500
		Accounting and cheque issue services (Comptroller of the Treasury)	1,676,100	1,385,900
		Contributions to Superannuation Account (Treasury Board)	3,929,000	1,774,800
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board)	711,700	408,100
		Employee surgical-medical insurance premiums (Treasury Board)	112,700	202,500
		Employee compensation payments (Department of Labour)	258,400	234,900
		Carrying of franked mail (Post Office Department)	87,100	77,000
			18,453,900	16,788,800
		Statutory—Minister of Indian Affairs and Northern Development—Salary and Motor Car Allowance		
		Salary (1)	15,000	15,000
		Motor Car Allowance (1)	2,000	2,000
			17,000	**17,000**
		Vote 1—Departmental Administration		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Deputy Minister ($26,500)		
3	3	Senior Officer 3 ($20,500-$25,750)		
1	1	Senior Officer 2 ($18,500-$23,500)		
1	1	Senior Officer 1 ($16,500-$21,250)		
1	1	($18,000-$21,000)		
1		($16,000-$18,000)		
1	1	($14,000-$16,000)		
10	10	($12,000-$14,000)		
2	2	($8,000-$10,000)		
1	1	($6,000-$8,000)		
		Administrative and Foreign Service:		
2	2	($18,000-$21,000)		
3	3	($16,000-$18,000)		
16	14	($14,000-$16,000)		
14	12	($12,000-$14,000)		
32	30	($10,000-$12,000)		
76	72	($8,000-$10,000)		
10	10	($6,000-$8,000)		
		Technical, Operational and Service:		
2	2	($6,000-$8,000)		
5	5	($4,000-$6,000)		
		Administrative Support:		
2	2	($8,000-$10,000)		
16	16	($6,000-$8,000)		
104	103	($4,000-$6,000)		
13	13	(Under $4,000)		
317	305			
(317)	(305)	Continuing Establishment	2,428,000	1,897,100
(5)	(5)	Casuals and Others	20,100	14,900
(322)	(310)	Salaries and Wages (1)	2,448,100	1,912,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		Vote 1 (Continued)		
		Overtime (1)	4,700	2,600
		Allowances (1)	7,300	
		Travelling and Removal Expenses (2)	133,200	110,700
		Freight, Express and Cartage (2)	1,500	1,500
		Postage (2)	6,000	6,000
		Telephones and Telegrams (2)	56,900	29,700
		Publication of Departmental Report (3)	21,500	4,500
		Exhibits, Advertising, Broadcasting and Displays (3)	2,100	3,500
		Professional and Special Services (4)	70,100	45,600
		Office Stationery, Supplies and Equipment (7)	168,000	85,200
		Materials and Supplies (7)	5,500	500
		Sundries (12)	15,800	8,000
			2,940,700	**2,209,800**
		Expenditure		
		1965–66 $ 1,418,559		
		1966–67 1,911,609		
		1967–68 (estimated) 2,330,700		
		Appropriation not required for 1968–69		
		Contribution to the Province of Alberta, pursuant to an agreement entered into with the approval of the Governor in Council by Canada with the Province, of amounts equal to one-half of the amounts confirmed by the Province as having been spent by it for Camp ground and Picnic Area developments; amount required to complete the payments to the Province (10)	.....	**77,580**
		INDIAN AFFAIRS		
		Vote 5—Administration, Operation and Maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and Territories and with local School Boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the Provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		GENERAL ADMINISTRATION		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		Senior Officer 2 ($18,500-$23,500)		
2	2	Senior Officer 1 ($16,500-$21,250)		
3	10	($14,000-$16,000)		
4	3	($12,000-$14,000)		
5	7	($10,000-$12,000)		
	20	($8,000-$10,000)		
		Administrative and Foreign Service:		
7	9	($16,000-$18,000)		
12	1	($14,000-$16,000)		
11	9	($12,000-$14,000)		
23	13	($10,000-$12,000)		
60	27	($8,000-$10,000)		
27	49	($6,000-$8,000)		
		Technical, Operational and Service:		
1	4	($6,000-$8,000)		
8	9	($4,000-$6,000)		
		Administrative Support:		
19	4	($8,000-$10,000)		
153	67	($6,000-$8,000)		
324	391	($4,000-$6,000)		
23	35	(Under $4,000)		
		Prevailing Rate Positions:		
	1	(Full Time)		
		Ships' Officers and Crews:		
3	3	(Full Time)		
2	2	(Seasonal)		
688	666			
(688)	(666)	Continuing Establishment	3,742,000	3,728,000
(17)	(17)	Casuals and Others	23,000	26,000
(705)	(683)	Salaries and Wages (1)	3,765,000	3,754,000
		Allowances (1)	35,000	32,000
		Travelling and Removal Expenses (2)	310,000	293,000
		Freight, Express and Cartage (2)	33,000	29,000
		Postage (2)	60,000	50,000
		Telephones, Telegrams and Other Communication Services (2)	213,000	208,000
		Publication of Departmental Reports and Other Material (3)	59,000	52,000
		Exhibits, Advertising, Broadcasting and Displays (3)	83,000	67,000
		Professional and Special Services (4)	244,000	248,000
		Rental of Buildings, Works and Land (5)	10,000	9,000
		Repairs and Upkeep of Buildings and Works (6)	160,000	154,000
		Repairs and Upkeep of Equipment (6)	52,000	48,000
		Office Stationery, Supplies and Equipment (7)	355,000	340,000
		Materials and Supplies (7)	133,000	146,000
		Municipal or Public Utility Services (7)	108,000	101,000
		Sundries, including Indian Consultation (12)	147,000	243,000
			5,817,000	5,774,000
			Expenditure	
		1965-66	$ 3,384,496	
		1966-67	4,653,049	
		1967-68 (estimated)	5,673,000	

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES, INCLUDING A GRANT OF $1,200 TO THE TRUSTEES OF THE SKOOKUM JIM MEMORIAL HALL IN WHITEHORSE, $52,700 FOR GRANTS TO FAIRS AND OTHER ORGANIZATIONS TO PROMOTE INDIAN AGRICULTURE, HANDICRAFT AND ECONOMIC ENTERPRISES GENERALLY, OTHER GRANTS AND CONTRIBUTIONS AND AUTHORITY TO MAKE GRANTS AND CONTRIBUTIONS PURSUANT TO AGREEMENTS ENTERED INTO WITH THE GOVERNMENTS OF THE PROVINCES OR THE TERRITORIES OR OTHER GROUPS OR AUTHORITIES APPROVED OF BY THE GOVERNOR IN COUNCIL FOR THE PROVISION OF WELFARE AND OTHER SERVICES TO INDIANS, SPECIAL PAYMENTS IN RESPECT OF SOCIAL ASSISTANCE TO PERSONS OTHER THAN INDIANS RESIDING ON INDIAN RESERVES, RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF THE PROVINCES AND THE TERRITORIES IN RESPECT OF SOCIAL ASSISTANCE TO PERSONS OTHER THAN INDIANS RESIDING ON INDIAN RESERVES, AND AUTHORITY TO PROVIDE, IN RESPECT OF INDIAN COMMERCIAL ACTIVITIES, FOR THE INSTRUCTION AND SUPERVISION OF INDIANS, THE FURNISHING OF MATERIALS, THE PURCHASE OF FINISHED GOODS AND, NOTWITHSTANDING ANY OTHER ACT, THE SALE OF SUCH FINISHED GOODS		
		Salaried Positions:		
		Executive, Scientific and Professional:		
	1	Senior Officer 2 ($18,500–$23,500)		
3	10	($14,000–$16,000)		
11	26	($12,000–$14,000)		
28	119	($10,000–$12,000)		
14	101	($8,000–$10,000)		
	160	($6,000–$8,000)		
		Administrative and Foreign Service:		
4		($18,000–$21,000)		
	3	($16,000–$18,000)		
10		($14,000–$16,000)		
17	3	($12,000–$14,000)		
108	12	($10,000–$12,000)		
109		($8,000–$10,000)		
172	13	($6,000–$8,000)		
2	1	($4,000–$6,000)		
10	10	(Seasonal)		
		Technical, Operational and Service:		
4		($14,000–$16,000)		
3	1	($12,000–$14,000)		
17	12	($10,000–$12,000)		
33	17	($8,000–$10,000)		
62	56	($6,000–$8,000)		
16	46	($4,000–$6,000)		
	1	(Part Time)		
		Administrative Support:		
3	8	($6,000–$8,000)		
94	77	($4,000–$6,000)		
5	8	(Under $4,000)		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES (Continued)		
		Prevailing Rate Positions:		
7	12	(Full Time)		
		Ships' Officers and Crews:		
2	2	(Full Time)		
734	699			
(732)	(697)	Continuing Establishment	4,889,000	4,763,000
(37)	(37)	Casuals and Others	70,000	76,000
(769)	(734)	Salaries and Wages (1)	4,959,000	4,839,000
		Allowances (1)	83,000	73,000
		Travelling and Removal Expenses (2)	1,025,600	962,000
		Freight, Express and Cartage (2)	41,000	37,000
		Telephones, Telegrams and Other Communication Services (2)	112,000	107,000
		Publication of Departmental Reports and Other Material (3)	33,000	40,000
		Exhibits, Advertising, Broadcasting and Displays (3)	66,000	57,000
		Indian Exhibit at Universal and International Exhibition of 1967 (3)	.....	223,000
		Professional and Special Services (4)	6,543,000	5,761,000
		Rental of Buildings, Works and Land (5)	29,000	26,000
		Repairs and Upkeep of Buildings and Works (6)	2,506,000	1,863,000
		Repairs and Upkeep of Equipment (6)	282,000	220,000
		Office Stationery, Supplies and Equipment (7)	32,000	31,000
		Materials and Supplies (7)	2,762,000	2,289,000
		Municipal or Public Utility Services (7)	72,000	51,000
		Grant to the Trustees of the Skookum Jim Memorial Hall in Whitehorse (10)	1,200	1,200
		Grants to Fairs and other organizations to promote Indian agriculture, handicraft, and economic enterprises generally (10)	52,700	52,700
		Grants to individuals or organizations for the development or advancement of Indian culture (10)	44,700	24,200
		Band Council Grants, including Reserve Improvement Grants (10)	1,100,000	549,000
		Grants and contributions pursuant to agreements entered into with the Governments of the Provinces or Territories, for the provision of welfare and other services to Indians (10)	2,304,400	1,999,000
		Cash payments for general assistance to Indians (10)	15,969,000	14,219,000
		Development Program for Indians including Treaty Obligations, Forestry Operations, Handicrafts (12)	766,000	754,000
		Travel and burial of destitute Indians, expenses of Indian conferences, training courses and seminars, and rehabilitation of physically and socially handicapped Indians (12)	471,000	450,000
		Sundries including training of community development officers (12)	467,400	648,600
			39,722,000	35,276,700
		Expenditure		
		1965-66 $ 26,335,774		
		1966-67 31,016,740		
		1967-68 (estimated) 35,378,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		EDUCATION—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING GRANTS AND CONTRIBUTIONS. SPECIAL PAYMENTS IN RESPECT OF THE EDUCATION IN INDIAN AND NON-INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN RESIDING ON RESERVES, RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF PROVINCES AND TERRITORIES AND WITH LOCAL SCHOOL BOARDS IN RESPECT OF THE EDUCATION IN INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
18		($14,000–$16,000)		
63	12	($12,000–$14,000)		
149	82	($10,000–$12,000)		
319	256	($8,000–$10,000)		
595	394	($6,000–$8,000)		
351	768	($4,000–$6,000)		
43	43	(Part Time)		
		Administrative and Foreign Service:		
5	2	($16,000–$18,000)		
6	14	($14,000–$16,000)		
4	1	($12,000–$14,000)		
8	34	($10,000–$12,000)		
16	18	($8,000–$10,000)		
17	29	($6,000–$8,000)		
		Technical, Operational and Service:		
3		($10,000–$12,000)		
1	2	($6,000–$8,000)		
274	113	($4,000–$6,000)		
	56	(Under $4,000)		
12	12	(Part Time)		
1	11	(Seasonal)		
		Administrative support:		
2	7	($6,000–$8,000)		
108	98	($4,000–$6,000)		
2	6	(Under $4,000)		
1	1	(Seasonal)		
		Prevailing Rate Positions:		
24	24	(Full Time)		
11	11	(Seasonal)		
2,034	1,995			
(1,998)	(1,959)	Continuing Establishment	13,263,000	11,260,000
(86)	(86)	Casuals and Others	141,000	121,000
(2,084)	(2,045)	Salaries and Wages (1)	13,404,000	11,381,000
		Allowances (1)	499,000	451,000
		Travelling and Removal Expenses (2)	618,000	572,000
		Freight, Express and Cartage (2)	33,000	79,000
		Telephones, Telegrams and Other Communication Services (2)	131,000	96,000
		Publication of Departmental Reports and Other Material (3)	3,000	3,000
		Exhibits, Advertising, Broadcasting and Displays (3)	33,000	33,000
		Professional and Special Services (4)	10,634,000	10,599,000

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (continued)		
		EDUCATION (Continued)		
		Rental of Buildings, Works and Lands.....(5)	50,000	52,000
		Repairs and Upkeep of Buildings, Works and Lands...(6)	1,548,000	1,130,000
		Repairs and Upkeep of Equipment.....(6)	154,000	150,000
		Office Stationery, Supplies and Equipment.....(7)	72,000	68,000
		Materials and Supplies.....(7)	3,181,000	2,465,000
		Municipal or Public Utility Services.....(7)	329,000	316,000
		Payments to Indians to assist in relocation.....(10)	639,000	253,000
		Tuition and Maintenance of Indians in non-Federal schools, travel of Indian pupils.....(12)	23,455,000	17,421,000
		Sundries including Employment and Placement.....(12)	779,000	815,000
			55,562,000	45,884,000
		(Further Details)		
		General Administration and Supervision.....	2,104,000	2,411,000
		Education in Federal Schools.....	14,106,000	12,426,000
		Education in Non-Federal Schools.....	14,392,000	10,163,000
		Transportation and Maintenance of Pupils.....	19,012,000	16,536,000
		Adult Education.....	926,000	617,000
		Vocational and Special Training.....	3,208,000	2,553,000
		Employment and Relocation.....	1,814,000	1,178,000
			55,562,000	45,884,000
		Expenditure		
		1965-66..... $ 34,630,982		
		1966-67..... 41,556,885		
		1967-68 (estimated)..... 49,084,000		
		GRANT TO PROVIDE ADDITIONAL SERVICES TO INDIANS OF BRITISH COLUMBIA INCLUDING AUTHORITY TO TRANSFER THESE FUNDS INTO THE TRUST ACCOUNTS OF THE INDIAN BANDS OF BRITISH COLUMBIA ON A PER-CAPITA BASIS.....(10)	100,000	100,000
		Expenditure		
		1965-66..... $ 100,000		
		1966-67..... 100,000		
		1967-68 (estimated)..... 100,000		
		Total, Vote 5.....	**101,201,000**	**87,034,700**
		Expenditure		
		1965-66..... $ 64,451,252		
		1966-67..... 77,326,674		
		1967-68 (estimated)..... 90,235,000		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 10—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the share of Provincial Governments of expenditures on roads and related works and equipment, construction or acquisition of works for Indian Bands, the operation and control of which may be transferred to the Indian Bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian Bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local School Boards in respect of the education in Indian Schools of children other than Indian children		
		GENERAL ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land.....(8)	254,000	353,000
		Construction or Acquisition of Equipment.....(9)	77,000	68,000
			331,000	421,000
		Expenditure		
		1965-66..... $ 222,154		
		1966-67..... 298,985		
		1967-68 (estimated)..... 442,000		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNTS OF THE SHARE OF PROVINCIAL GOVERNMENTS OF EXPENDITURES ON ROADS AND RELATED WORKS AND EQUIPMENT AND INCLUDING CONSTRUCTION OR ACQUISITION OF WORKS FOR INDIAN BANDS, THE OPERATION AND CONTROL OF WHICH MAY BE TRANSFERRED TO THE INDIAN BANDS AT THE DISCRETION OF THE MINISTER, EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY, AND ASSISTANCE TO INDIANS AND INDIAN BANDS FOR THE CONSTRUCTION OR ACQUISITION OF HOUSING AND OTHER BUILDINGS AND RELATED WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land.....(8)	22,659,000	21,663,000
		Construction or Acquisition of Equipment.....(9)	1,107,000	1,700,000
			23,766,000	23,363,000

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Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 10 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES (Continued)		
		Less—Amount recoverable from Provincial Governments.....(13)	1,222,000	
			22,544,000	23,363,000
		Expenditure		
		1965–66..... $ 8,269,410		
		1966–67..... 15,063,231		
		1967–68 (estimated)..... 21,602,000		
		EDUCATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY AND RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF PROVINCES AND TERRITORIES AND WITH LOCAL SCHOOL BOARDS IN RESPECT OF THE EDUCATION IN INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN		
		Construction or Acquisition of Buildings, Works and Land.....(8)	10,379,000	9,371,000
		Construction or Acquisition of Equipment.....(9)	983,000	758,000
			11,362,000	10,129,000
		(Further Details)		
		Payments in respect of Federal Educational Facilities for Indian Pupils.....	5,962,000	6,506,000
		Payments under agreement to provide Joint Educational Facilities to Indian Pupils.....	5,400,000	3,623,000
			11,362,000	10,129,000
		Expenditure		
		1965–66..... $ 7,076,345		
		1966–67..... 11,442,594		
		1967–68 (estimated)..... 9,879,000		
		Total, Vote 10.....	**34,237,000**	**33,913,000**
		Expenditure		
		1965–66..... $ 15,567,909		
		1966–67..... 26,804,810		
		1967–68 (estimated)..... 31,923,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Statutory—Indian Annuities and Miscellaneous Pensions		
		STATUTORY—INDIAN ANNUITIES (CHAP. 149, R.S.).....(12)	535,580	530,000
		Expenditure 1965–66..... $ 525,194 1966–67..... 513,494 1967–68 (estimated)..... 530,000		
		STATUTORY—PENSION TO MRS. DORIS RYCKMAN (CHAP. 50, STATUTES OF 1936).....(1)	420	420
		Total, Statutory Item.....	**536,000**	**530,420**
		Expenditure 1965–66..... $ 525,614 1966–67..... 513,914 1967–68 (estimated)..... 530,420		
		NORTHERN PROGRAM		
		Vote 20—Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Governments of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		ADMINISTRATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF CENTRAL SERVICES ASSOCIATED WITH NORTHERN ADMINISTRATION BRANCH INCLUDING CIVIL SERVICE HOUSING AND GRANTS AND CONTRIBUTIONS AS DETAILED IN THE ESTIMATES AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
2	2	Senior Officer 2 ($18,500-$23,500)		
2	2	Senior Officer 1 ($16,500-$21,250)		
4	3	($16,000-$18,000)		
3	3	($14,000-$16,000)		
13	11	($12,000-$14,000)		
9	9	($10,000-$12,000)		
	5	($8,000-$10,000)		
		Administrative and Foreign Service:		
4		($18,000-$21,000)		
1	2	($16,000-$18,000)		
5		($14,000-$16,000)		
11		($12,000-$14,000)		
15	2	($10,000-$12,000)		
75	52	($8,000-$10,000)		
16	55	($6,000-$8,000)		
	13	($4,000-$6,000)		
		Technical, Operational and Service:		
1		($14,000-$16,000)		
1		($12,000-$14,000)		
3		($10,000-$12,000)		
26	15	($8,000-$10,000)		
27	42	($6,000-$8,000)		
25	35	($4,000-$6,000)		
	1	(Under $4,000)		
		Administrative Support:		
55	1	($6,000-$8,000)		
199	148	($4,000-$6,000)		
18	119	(Under $4,000)		
		Prevailing Rate Positions:		
221	208	(Full Time)		
1	1	(Seasonal)		
737	729			
(737)	(729)	Continuing Establishment	3,862,400	3,700,300
(17)	(17)	Casuals and Others	87,900	80,500
(754)	(746)	Salaries and Wages (1)	3,950,300	3,780,800
		Overtime (1)	62,000	62,000
		Isolation and Other Allowances (1)	515,500	491,300
		Memberships (1)	400	400
		Unemployment Insurance Contributions (1)	16,800	19,900
		Travelling and Removal Expenses (2)	474,000	454,000
		Transportation Costs of Other than Government Employees (2)	207,700	66,000
		Freight, Express and Cartage (2)	892,400	897,200
		Postage (2)	20,800	18,800
		Telephones, Telegrams and Other Communication Services (2)	215,300	172,200

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		ADMINISTRATION (Continued)		
		Publications (3)	19,500	18,900
		Displays and Publicity (3)	4,500	6,500
		Professional and Special Services (4)	602,700	915,600
		Rental of Equipment (5)	127,100	119,600
		Rental of Land, Buildings and Works (5)	13,200	8,800
		Repairs and Upkeep of Buildings and Works (6)	581,600	617,400
		Repairs and Upkeep of Equipment (6)	338,900	315,600
		Fuel for Heating Departmental Buildings (7)	475,700	434,100
		Other Materials and Supplies (7)	649,800	338,800
		Municipal or Public Utility Services (7)	1,343,500	538,000
		Office Stationery, Supplies and Equipment (7)	150,300	146,800
		Grant to the Northwest Territories Government towards the cost of construction of a water intake system at Yellowknife, N.W.T. (10)	250,000	
		Grant to Yukon Territorial Government for hospital care of Indians (10)	85,000	75,000
		Grant to the Northwest Territories Government for hospital care of Indians and Eskimos (10)	512,100	583,600
		Contribution towards the construction of community halls (10)	50,000	50,000
		Contribution to the Yukon Territorial Government towards the cost of construction of a water and sewer system at Mayo and a water and sewer system at Watson Lake, Y.T. (10)	.....	83,000
		Grants to the Commissioner of the Northwest Territories to reimburse the Commissioner for the costs, other than capital costs, incurred in the current fiscal year in establishing the Government of the Northwest Territories in Yellowknife, N.W.T. (10)	.....	263,000
		Contribution to the Government of Newfoundland respecting Eskimos (10)	500,000	168,100
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government towards the operation and maintenance of medium security institution and the minimum security institution in the Yukon Territory (10)	264,300	
		Grant to the Commissioner of the Northwest Territories for the amortization of loans made for capital costs incurred in establishing the Government of the Northwest Territories in Yellowknife, N.W.T. (10)	100,000	
		Grant to the Northwest Territories Government for game management and to assist in providing tourist services (10)	445,400	
		Sundries (12)	44,000	40,200
			12,912,800	10,685,600
		Less—Amount Recoverable from the Government of the Northwest Territories ($46,500) and anticipated lapses ($464,500) (13)	511,000	846,599
			12,401,800	9,839,001

	Expenditure	Revenue
	$	$
1965–66	.....	.....
1966–67	9,066,100	757,615
1967–68 (estimated)	10,635,000	755,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		EDUCATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF ACADEMIC AND VOCATIONAL PROGRAMS INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNT OF THE SHARE OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES OF EXPENDITURES ON EDUCATION AND VOCATIONAL TRAINING AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
2		($14,000–$16,000)		
24		($12,000–$14,000)		
38	51	($10,000–$12,000)		
135	14	($8,000–$10,000)		
236	349	($6,000–$8,000)		
37	28	($4,000–$6,000)		
		Administrative and Foreign Service:		
8	7	($16,000–$18,000)		
7		($14,000–$16,000)		
5	11	($12,000–$14,000)		
2		($10,000–$12,000)		
26	2	($8,000–$10,000)		
	26	($6,000–$8,000)		
3		($4,000–$6,000)		
		Technical, Operational and Service:		
6		($12,000–$14,000)		
7	12	($10,000–$12,000)		
3		($8,000–$10,000)		
6	7	($6,000–$8,000)		
15	8	($4,000–$6,000)		
	8	(Under $4,000)		
		Administrative Support:		
2	1	($6,000–$8,000)		
42	30	($4,000–$6,000)		
2	11	(Under $4,000)		
		Prevailing Rate Positions:		
78	74	(Full Time)		
685	640			
(685)	(640)	Continuing Establishment	5,506,400	4,619,900
(15)	(16)	Casuals and Others	77,900	73,600
(700)	(656)	Salaries and Wages (1)	5,584,300	4,693,500
		Isolation and Other Allowances (1)	834,000	760,900
		Memberships (1)	400	400
		Unemployment Insurance Contributions (1)	300	400
		Travelling and Removal Expenses (2)	653,000	558,500
		Transportation Costs of other than Government Employees (2)	469,300	299,500
		Freight, Express and Cartage (2)	721,100	398,800
		Departmental and Educational Publications (3)	69,000	38,500
		Audio-Visual Aids, Publicity (3)	107,300	119,700
		Tuition, Maintenance and Other Payments (4)	1,590,500	1,353,100
		Other Professional and Special Services (4)	970,200	1,203,500
		Rental of Equipment (5)	55,000	53,200
		Rental of Land and Buildings (5)	10,200	11,400
		Repairs and Upkeep of Buildings and Works (6)	426,500	477,900

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		EDUCATION (Continued)		
		Repairs and Upkeep of Equipment.....(6)	274,600	269,100
		Fuel for Heating Departmental Buildings.....(7)	349,700	336,000
		Other Materials and Supplies.....(7)	1,339,800	979,500
		Municipal or Public Utility Services.....(7)	956,800	381,500
		Sundries.....(12)	90,900	53,600
			14,502,900	11,989,000
		Less—Amount Recoverable from the Government of the Northwest Territories ($2,167,000) and anticipated lapses ($475,700).....(13)	2,642,700	2,513,000
			11,860,200	9,476,000
		Expenditure / Revenue		
		1965-66..... $ ..... / $		
		1966-67..... 8,641,150 / 179,700		
		1967-68 (estimated)..... 9,721,000 / 179,000		
		REGIONAL DEVELOPMENT—ADMINISTRATION, OPERATION AND MAINTENANCE OF SMALL BUSINESS DEVELOPMENT, SURFACE RESOURCE MANAGEMENT AND NORTHERN PUBLIC HOUSING INCLUDING GRANTS AND CONTRIBUTIONS AS DETAILED IN THE ESTIMATES, AUTHORITY TO PROVIDE IN RESPECT OF INDIAN AND ESKIMO COMMERCIAL ACTIVITIES FOR THE INSTRUCTION AND SUPERVISION OF INDIANS AND ESKIMOS, THE FURNISHING OF MATERIALS, THE PURCHASE OF FINISHED GOODS AND NOTWITHSTANDING ANY OTHER ACT, THE SALE OF SUCH FINISHED GOODS, TO MAKE PAYMENTS TO INDIANS AND ESKIMOS UNDER SOCIAL ASSISTANCE, WELFARE AND HOUSING AND CHILD WELFARE PROGRAMS AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		($14,000-$16,000)		
11	8	($12,000-$14,000)		
22	4	($10,000-$12,000)		
26	33	($8,000-$10,000)		
	1	($6,000-$8,000)		
		Administrative and Foreign Service:		
2		($18,000-$21,000)		
	2	($16,000-$18,000)		
5		($14,000-$16,000)		
11	2	($12,000-$14,000)		
13	4	($10,000-$12,000)		
53	19	($8,000-$10,000)		
5	40	($6,000-$8,000)		
		Technical, Operational and Service:		
3		($8,000-$10,000)		
13	29	($6,000-$8,000)		
8	44	($4,000-$6,000)		

Positions (man-years)		Details of Services		Amount	
1968-69	1967-68			1968-69	1967-68
				$	$
		NORTHERN PROGRAM (Continued)			
		Vote 20 (Continued)			
		REGIONAL DEVELOPMENT (Continued)			
		Salaried Positions: (Continued)			
		Administrative Support:			
8	1	($6,000-$8,000)			
40	38	($4,000-$6,000)			
4	19	(Under $4,000)			
		Prevailing Rate Positions:			
51	63	(Full Time)			
37	31	(Seasonal)			
		Ships' Officers and Crews:			
	1	(Seasonal)			
313	339				
(294)	(317)	Continuing Establishment		2,316,200	2,373,100
(22)	(24)	Casuals and Others		129,000	65,600
(316)	(341)	Salaries and Wages	(1)	2,445,200	2,438,700
		Overtime	(1)	30,000	30,000
		Isolation and Other Allowances	(1)	334,900	356,300
		Memberships	(1)	3,000	3,000
		Unemployment Insurance Contributions	(1)	1,200	1,000
		Travelling and Removal Expenses	(2)	361,400	355,000
		Transportation Costs of other than Government Employees	(2)	578,600	517,000
		Freight, Express and Cartage	(2)	395,100	111,300
		Telephones, Telegrams and other Communication Services	(2)	5,500	4,700
		Departmental Publications	(3)	42,800	33,500
		Audio-Visual Aids, Displays and Publicity	(3)	80,200	49,900
		Tuition, Maintenance and other Payments	(4)	438,100	802,100
		Other Professional and Special Services	(4)	810,200	1,214,300
		Rental of Equipment	(5)	416,700	415,900
		Rental of Land and Buildings	(5)	1,000	2,600
		Repairs and Upkeep of Buildings and Works	(6)	396,500	345,500
		Repairs and Upkeep of Equipment	(6)	231,500	231,600
		Fuel for Heating Departmental Buildings	(7)	324,400	353,200
		Purchase of Materials and Supplies for Eskimos and Indians	(7)	1,113,000	1,055,600
		Other Materials and Supplies	(7)	1,557,600	795,200
		Municipal or Public Utility Services	(7)	888,700	400,600
		Office Stationery, Supplies and Equipment	(7)	4,500	4,100
		Grants to Eskimos towards acquisition of boats for commercial fishing or resources harvesting	(10)	15,000	25,000
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government for the development of campgrounds and picnic areas	(10)	22,500	15,000
		Contribution in an amount equal to 50% of the expenditure by the Government of the Northwest Territories for development of campgrounds and picnic areas	(10)	22,500	15,000
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government for the operation of campgrounds and picnic areas in the Yukon Territory	(10)	22,500	
		Grant to the Yukon Territorial Government to cover the cost of moving squatters' houses in the Whitehorse area to new locations	(10)	4,000	5,000
		Grant to the Yukon Territorial Government to enable that Government to make subsidies of up to $1,000 on each low-cost house for which that Government issues a first mortgage loan	(10)	40,000	20,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		REGIONAL DEVELOPMENT (Continued)		
		Grant to the Northwest Territories Government to enable that Government to make subsidies of up to $1,000 on each low-cost house for which that Government issues a first mortgage loan .. (10)	20,000	20,000
		Grants of $1,000 to Eskimos towards acquisition or construction of low-cost houses containing one bedroom and $2,000 to Eskimos toward acquisition or construction of low-cost houses containing two or more bedrooms..... (10)	30,000	30,000
		Grants to Eskimos to assist in the purchase of houses, the amount of each grant not to exceed the accumulated credits earned by the purchaser under the Eskimo Housing Rental Program..... (10)	2,000	500
		Sundries..... (12)	112,500	59,000
			10,751,100	9,710,600
		Less—Anticipated lapses..... (13)	398,200	317,600
			10,352,900	9,393,000

	Expenditure	Revenue
1965–66.....	$.....	$.....
1966–67.....	7,641,075	2,001,139
1967–68 (estimated).....	9,568,000	1,993,000

TERRITORIAL GOVERNMENTS — ADMINISTRATION, OPERATION AND MAINTENANCE OF THE OFFICES OF THE COMMISSIONERS OF THE YUKON AND NORTHWEST TERRITORIES, THE PROVISION OF MUNICIPAL SERVICES TO FEDERALLY-OWNED AND OPERATED FACILITIES AND THE SALE OF ELECTRIC POWER AND FUEL OIL (AND TO PROVIDE SERVICES IN RESPECT THEREOF) IN ACCORDANCE WITH TERMS AND CONDITIONS APPROVED BY THE GOVERNOR IN COUNCIL TO PRIVATE CONSUMERS IN REMOTE LOCATIONS WHERE ALTERNATIVE LOCAL SOURCES OF SUPPLY ARE NOT AVAILABLE AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA

		Salaried Positions:
		Executive, Scientific and Professional:
1	1	Commissioner of the Northwest Territories ($24,000)
1		Deputy Commissioner of the Northwest Territories ($21,000)
1	1	Commissioner of the Yukon Territory ($20,000)
		Administrative and Foreign Service:
1		($14,000-$16,000)
	1	($12,000–$14,000)
1		($8,000–$10,000)
	7	($6,000–$8,000)
		Technical, Operational and Service:
1		($8,000–$10,000)

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		TERRITORIAL GOVERNMENTS (Continued)		
		Salaried Position: (Continued)		
		Administrative Support:		
1	1	($6,000-$8,000)		
1	3	($4,000-$6,000)		
		Prevailing Rate Positions:		
80	73	(Full Time)		
88	87			
(88)	(87)	Continuing Establishment	111,600	159,200
(1)	(1)	Casuals and Others	11,700	6,400
(89)	(88)	Salaries and Wages (1)	123,300	165,600
		Isolation and Other Allowances (1)	10,700	20,000
		Travelling and Removal Expenses (2)	17,700	14,100
		Transportation Costs of Other than Government Employees (2)	6,400	4,500
		Freight, Express and Cartage (2)	22,500	400
		Postage (2)	2,000	1,900
		Telephones, Telegrams and Other Communication Services (2)	5,600	5,600
		Departmental Publications (3)	400	100
		Audio-Visual Aids, Displays, and Publicity (3)	200	200
		Other Professional and Special Services (4)	132,400	127,400
		Repairs and Upkeep of Buildings and Works (6)	22,500	48,800
		Repairs and Upkeep of Equipment (6)	13,000	24,900
		Materials and Supplies Including Fuel (7)	72,700	43,100
		Municipal or Public Utility Services (7)	74,200	38,000
		Office Stationery, Supplies and Equipment (7)	1,500	1,500
		Sundries (12)	1,300	2,500
			506,400	498,600
		Less—Anticipated lapses (13)	18,300	
			488,100	498,600

	Expenditure $	Revenue $
1965-66	.....	.....
1966-67	530,225	655,545
1967-68 (estimated)	499,000	653,000

		NORTHERN CO-ORDINATION AND RESEARCH—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING GRANTS AS DETAILED IN THE ESTIMATES		
		Salaried Positions:		
		Administrative and Foreign Service:		
1		($18,000-$21,000)		
	1	($16,000-$18,000)		
2	2	($14,000-$16,000)		
1	1	($12,000-$14,000)		
1		($10,000-$12,000)		
2	2	($8,000-$10,000)		
1	1	($6,000-$8,000)		
		Technical, Operational and Service:		
2	2	($12,000-$14,000)		
2	3	($10,000-$12,000)		
3	2	($8,000-$10,000)		
2	1	($6,000-$8,000)		
1	1	($4,000-$6,000)		
6	6	(Seasonal)		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		NORTHERN CO-ORDINATION AND RESEARCH (Continued)		
		Salaried Positions: (Continued)		
		Administrative Support:		
8	8	($4,000-$6,000)		
1	1	(Under $4,000)		
		Prevailing Rate Positions:		
1	1	(Full Time)		
34	32			
(31)	(29)	Salaries and Wages....(1)	242,100	225,600
		Overtime....(1)	500	500
		Isolation and Other Allowances....(1)	15,400	10,700
		Travelling and Removal Expenses....(2)	24,500	17,000
		Freight, Express and Cartage....(2)	3,700	2,000
		Telephones and Telegrams....(2)	4,000	1,700
		Publication of Departmental Reports and Other Material....(3)	7,000	6,000
		Professional and Special Services....(4)	38,000	25,000
		Rental of Equipment....(5)	1,000	
		Repairs and Upkeep of Buildings and Works....(6)	500	300
		Repairs and Upkeep of Equipment....(6)	1,500	700
		Office Stationery, Supplies and Equipment....(7)	9,000	7,000
		Materials and Supplies....(7)	15,100	10,000
		Municipal or Public Utility Services....(7)	21,000	19,000
		Grant to the Arctic Institute of North America towards the publication of the Arctic Bibliography....(10)	30,000	30,000
		Grants for Northern Research and for Northern Scientific Research Expeditions....(10)	250,000	250,000
		Sundries....(12)	2,700	1,300
			666,000	606,800
			Expenditure	
		1965-66....	$ 420,308	
		1966-67....	499,682	
		1967-68 (estimated)....	596,000	
		RESOURCE AND ECONOMIC DEVELOPMENT—ADMINISTRATION, OPERATION AND MAINTENACE OF PROGRAMS DESIGNED TO STIMULATE AND ACCELERATE THE DEVELOPMENT OF NATURAL RESOURCES, ROADS AND AIRSTRIPS IN THE YUKON AND NORTHWEST TERRITORIES, GRANTS AS DETAILED IN THE ESTIMATES AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	($16,000-$18,000)		
1	1	($14,000-$16,000)		
5	5	($12,000-$14,000)		
9	9	($10,000-$12,000)		
8	7	($8,000-$10,000)		
3	2	($6,000-$8,000)		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT (Continued)		
		Salaried Positions: (Continued)		
		Administrative and Foreign Service:		
2	1	($18,000-$21,000)		
2	1	($16,000-$18,000)		
5	5	($12,000-$14,000)		
7	6	($8,000-$10,000)		
7	5	($6,000-$8,000)		
		Technical, Operational and Service:		
1	1	($12,000-$14,000)		
1	1	($10,000-$12,000)		
7	5	($8,000-$10,000)		
4	3	($6,000-$8,000)		
1		($4,000-$6,000)		
		Administrative Support:		
12	12	($6,000-$8,000)		
20	20	($4,000-$6,000)		
22	21	(Under $4,000)		
		Prevailing Rate Positions:		
60	59	(Full Time)		
16	16	(Seasonal)		
1	1	(Part Time)		
195	182			
(187)	(174)	Salaries and Wages....(1)	1,379,000	1,177,100
		Isolation and Other Allowances....(1)	120,200	121,700
		Travelling and Removal Expenses....(2)	132,200	77,600
		Freight, Express and Cartage....(2)	6,900	2,500
		Postage....(2)	2,300	2,000
		Telephones and Telegrams....(2)	12,900	12,000
		Publication of Reports and other Material....(3)	22,500	10,100
		Exhibits, Advertising, Films, Broadcasting and Displays....(4)	55,800	66,300
		Professional and Special Services....(4)	359,400	281,500
		Rental of Equipment....(5)	68,900	43,800
		Repairs and Upkeep of Equipment....(6)	190,000	136,600
		Repairs and Upkeep of Buildings and Works....(6)	3,900	51,800
		Maintenance of Highways....(6)	1,940,100	1,609,000
		Materials and Supplies....(7)	118,000	108,200
		Municipal or Public Utility Services....(7)	268,100	141,700
		Office Stationery, Supplies and Equipment....(7)	46,200	37,000
		Grants of $7,500 to the British Columbia and Yukon Chamber of Mines, $7,500 to the Yukon Chamber of Mines, $7,500 to the Alberta and Northwest Chamber of Mines, $7,500 to the Northwest Territories Chamber of Mines to assist in the Operation of Prospectors' Training Courses and the maintenance of permanent offices for the purpose of educating and assisting all persons interested in searching for mineral deposits....(10)	30,000	20,000
		Grants to prospectors in accordance with terms and conditions prescribed by the Governor in Council....(10)	60,000	60,000
		Grant to Territories Mines Accident Prevention Association....(10)	2,500	2,500
		Contribution of 50% of the cost of establishing or improving airstrips for development purposes (Yukon Territory)....(10)	50,000	50,000
		Contribution of 50% of the cost of establishing or improving airstrips for development purposes (Northwest Territories)....(10)	50,000	50,000
		Sundries....(12)	6,800	8,100
			4,925,700	4,069,500

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT (Continued)		
		Less—Amount recoverable from the Government of the Northwest Territories ($110,000) and anticipated lapses ($118,400).....(13)	228,400	105,000
			4,697,300	3,964,500
		Expenditure Revenue		
		1965-66..... $..... $.....		
		1966-67..... 3,948,975 2,930,000		
		1967-68 (estimated)..... 4,112,000 1,975,000		
		Total, Vote 20.....	**40,466,300**	**33,777,961**
		Expenditure Revenue		
		1965-66..... $..... $.....		
		1966-67..... 30,327,207 6,523,999		
		1967-68 (estimated)..... 35,131,000 5,555,000		
		Vote 25—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the Department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,195,600		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction of Roads and Bridges.....(8)	79,600	
		Construction or Acquisition of Buildings and Works.(8)	2,383,900	2,795,500

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		ADMINISTRATION (Continued)		
		Acquisition or Construction of Equipment.....(9)	503,100	559,000
			2,966,600	3,354,500
		Less—Anticipated lapses.....(13)	341,600	434,000
			2,625,000	2,920,500
		Expenditure		
		1965-66..... $.....		
		1966-67..... 2,457,000		
		1967-68 (estimated)..... 2,520,500		
		EDUCATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT, INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNT OF THE SHARE OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES OF EXPENDITURES ON EDUCATION AND VOCATIONAL TRAINING AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works..(8)	4,904,800	5,618,000
		Acquisition or Construction of Equipment.....(9)	347,200	314,600
			5,252,000	5,932,600
		Less—Amount Recoverable from the Government of the Northwest Territories ($903,500) and anticipated lapses ($606,500).....(13)	1,510,000	2,045,000
			3,742,000	3,887,600
		Expenditure		
		1965-66..... $.....		
		1966-67..... 4,306,173		
		1967-68 (estimated)..... 3,887,600		
		REGIONAL DEVELOPMENT—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY FOR A PROGRAM OF CONSTRUCTION AND ACQUISITION OF HOUSING FOR INDIANS AND ESKIMOS AND THE SALE OF HOUSES TO INDIANS AND ESKIMOS ON SUCH TERMS AND CONDITIONS AND AT SUCH PRICES AS THE GOVERNOR IN COUNCIL MAY APPROVE AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works(8)	4,829,700	4,198,000
		Acquisition or Construction of Equipment.....(9)	577,100	532,000
			5,406,800	4,730,000

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		REGIONAL DEVELOPMENT (Continued)		
		Less—Anticipated lapses.....(13)	622,800	496,000
			4,784,000	4,234,000
		Expenditure		
		1965-66..... $.....		
		1966-67..... 2,648,000		
		1967-68 (estimated)..... 4,234,000		
		TERRITORIAL GOVERNMENTS—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN RESPECT OF SERVICES PROVIDED AND WORK PERFORMED ON OTHER THAN FEDERAL PROPERTY, WHEN ONLY THE DEPARTMENT IS CAPABLE OF PERFORMING SUCH SERVICE OR WORK AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTH-WEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works..(8)	3,065,100	1,274,500
		Acquisition or Construction of Equipment.....(9)	247,900	124,200
			3,313,000	1,398,700
		Less—Anticipated lapses.....(13)	381,000	155,000
			2,932,000	1,243,700
		Expenditure		
		1965-66..... $.....		
		1966-67..... 1,086,000		
		1967-68 (estimated)..... 1,643,700		
		NORTHERN CO-ORDINATION AND RESEARCH—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Land, Buildings and Works.....(8)	7,500	
		Construction or Acquisition of Machinery, Equipment, and Furnishings.....(9)	15,500	10,000
			23,000	10,000
		Expenditure		
		1965-66..... $ 13,670		
		1966-67..... 10,863		
		1967-68 (estimated)..... 10,000		

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Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction of Roads and Bridges.....(8)	8,682,200	12,094,000
		Construction or Acquisition of Buildings and Works.(8)	56,000	16,000
		Acquisition or Construction of Equipment.....(9)	196,000	11,000
			9,234,200	12,121,000
		Less—Anticipated lapses.....(13)	1,074,500	2,801,999
			8,159,700	9,319,001
		Expenditure		
		1965–66..... $.....		
		1966–67..... 8,018,286		
		1967–68 (estimated)..... 9,320,000		
		Total, Vote 25.....	**22,265,700**	**21,614,801**
		Expenditure		
		1965–66..... $.....		
		1966–67..... 18,526,322		
		1967–68 (estimated)..... 21,615,800		
		Statutory—Northern Mineral Development Assistance Grants.....(10)	**1,500,000**	**3,000,001**
		Expenditure		
		1965–66..... $.....		
		1966–67.....		
		1967–68 (estimated)..... 1,700,000		
		Vote 33—Payment to the Government of the Northwest Territories in accordance with an agreement between Canada and the Northwest Territories, the agreement to provide that the Government of the Northwest Territories will not impose, levy or collect individual income taxes, corporation income taxes, corporation taxes or succession duties, as defined in the agreement; the payment to the Government of the Northwest Territories under the agreement to be calculated on the following bases: **(a) A subsidy of eighty cents per head in respect of the population of the Northwest Territories as determined by the 1961 census;** **(b) A grant in aid of the Government and Council of the Northwest Territories of $30,000; and**		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 33 (Continued)		
		(c) An operating grant in the amount of $5,104,660 which, when added to the payments under paragraphs (a) and (b), will equal the estimated operating deficit of the Government of the Northwest Territories in the current fiscal year;		
		together with payments in respect of amortization payments on outstanding loans for capital expenditures in the Northwest Territories, as provided in the agreement...(10)	**6,392,100**	**5,670,780**
		Vote 34—Payment to the Government of the Yukon Territory in accordance with an agreement to be entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada, and the Commissioner of the Yukon Territory, on behalf of the Government of the Yukon Territory, such agreement to provide (on such terms and conditions as may be agreed upon) that the Government of the Yukon Territory will not impose, levy or collect the taxes specified in the agreement; the payment to the Government of the Yukon Territory to be calculated in accordance with such agreement; payments in respect of amortization payments on outstanding loans for capital expenditures in the Yukon Territory, as provided in the agreement, and to authorize interim payments to the Government of the Yukon Territory prior to the signing of the said agreement (the amount payable under the agreement to be reduced by the aggregate of all interim payments).....(10)	**5,576,300**	**4,100,009**
		CONSERVATION		
		Vote 35—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Administration, Operation and Maintenance including grants as detailed in the Estimates, payment to the National Battlefields Commission for the purposes and subject to the provisions of an act respecting the National Battlefields at Quebec and authority to make expenditures on the proposed new National Park in the area of Kejimkujik Lake in Nova Scotia		
		ADMINISTRATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF CENTRAL SERVICES ASSOCIATED WITH THE NATIONAL AND HISTORIC PARKS BRANCH		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 2 ($18,500-$23,500)		
2	2	Senior Officer 1 ($16,500-$21,250)		

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Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		ADMINISTRATION (Continued)		
		Salaried Positions: (Continued)		
		Executive, Scientific and Professional: (Continued)		
1	1	($18,000-$21,000)		
2	2	($16,000-$18,000)		
5	5	($14,000-$16,000)		
9	10	($12,000-$14,000)		
36	26	($10,000-$12,000)		
5	16	($8,000-$10,000)		
		Administrative and Foreign Service:		
3	2	($16,000-$18,000)		
3		($14,000-$16,000)		
6		($12,000-$14,000)		
9	10	($10,000-$12,000)		
20	7	($8,000-$10,000)		
14	14	($6,000-$8,000)		
		Technical, Operational and Service:		
5	5	($12,000-$14,000)		
6	12	($10,000-$12,000)		
20	12	($8,000-$10,000)		
29	16	($6,000-$8,000)		
2	8	($4,000-$6,000)		
		Administrative Support:		
13	7	($6,000-$8,000)		
65	64	($4,000-$6,000)		
43	33	(Under $4,000)		
299	253			
(299)	(253)	Continuing Establishment	2,164,300	1,757,500
(34)	(34)	Casuals and Others	110,000	142,900
(333)	(287)	Salaries and Wages (1)	2,274,300	1,900,400
		Overtime (1)	10,500	10,000
		Unemployment Insurance Contributions (1)	2,900	400
		Travelling Expenses (2)	202,100	175,600
		Freight, Express and Cartage (2)	3,500	1,300
		Postage (2)	10,400	10,200
		Telephones and Telegrams (2)	45,100	29,500
		Publication of Departmental Reports and Other Material (3)	12,000	8,900
		Exhibits, Advertising, Broadcasting and Displays (3)	900	2,600
		Professional and Special Services (4)	24,800	10,400
		Rental of Equipment (5)	14,700	3,400
		Repairs and Upkeep of Equipment (6)	12,300	12,500
		Office Stationery, Supplies and Equipment (7)	90,200	33,000
		Materials and Supplies (7)	64,100	38,000
		Contribution to Canadian Society of Landscape Architects (10)	12,500	
		Sundries (12)	6,800	3,600
			2,787,100	2,239,800

	Expenditure	Revenue
1965-66	$ 528,217	$
1966-67	1,847,952	
1967-68 (estimated)	2,234,800	1,800

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		NATIONAL PARKS—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING AUTHORITY TO MAKE EXPENDITURES ON THE PROPOSED NEW NATIONAL PARK IN THE AREA OF KEJIMKUJIK LAKE IN NOVA SCOTIA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	($14,000-$16,000)		
1	1	($12,000-$14,000)		
3	1	($10,000-$12,000)		
4	30	($8,000-$10,000)		
21	1	($6,000-$8,000)		
		Administrative and Foreign Service:		
2	2	($16,000-$18,000)		
	5	($14,000-$16,000)		
4	3	($12,000-$14,000)		
7	7	($10,000-$12,000)		
25	3	($8,000-$10,000)		
38	49	($6,000-$8,000)		
		Technical, Operational and Service:		
2		($12,000-$14,000)		
3	8	($10,000-$12,000)		
32	9	($8,000-$10,000)		
22	76	($6,000-$8,000)		
266	222	($4,000-$6,000)		
77	58	(Under $4,000)		
	1	(Part Time)		
61	81	(Seasonal)		
		Administrative Support:		
2		($6,000-$8,000)		
86	82	($4,000-$6,000)		
34	33	(Under $4,000)		
3	2	(Seasonal)		
		Prevailing Rate Positions:		
524	370	(Full Time)		
129	1	(Part Time)		
1,153	1,516	(Seasonal)		
2,500	2,562			
(1,593)	(1,601)	Continuing Establishment	7,579,500	7,216,400
(30)	(28)	Casuals and Others	143,700	143,100
(1,623)	(1,629)	Salaries and Wages (1)	7,723,200	7,359,500
		Overtime (1)	206,800	164,000
		Allowances (1)	46,900	46,400
		Unemployment Insurance Contributions (1)	40,600	42,900
		Travelling and Removal Expenses (2)	146,200	140,800
		Freight, Express and Cartage (2)	50,000	64,000
		Postage (2)	13,300	11,100
		Telephones and Telegrams (2)	79,200	67,700
		Publication of Departmental Reports and Other Material (3)	94,800	155,200
		Exhibits, Advertising, Broadcasting and Displays (3)	58,300	49,700
		Professional and Special Services (4)	591,800	623,200
		Rental of Land, Buildings and Works (5)	22,800	17,300
		Rental of Equipment (5)	188,400	161,500
		Repairs and Upkeep of Buildings and Works (6)	606,400	318,600
		Repairs and Upkeep of Roads, Bridges, Streets, Sidewalks and Trails (6)	331,800	570,200
		Repairs and Upkeep of Equipment (6)	696,900	736,400
		Office Stationery, Supplies and Equipment (7)	69,700	46,700
		Materials and Supplies (7)	1,039,900	991,400
		Municipal or Public Utility Services (7)	357,900	295,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		NATIONAL PARKS—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		Scholarships for the University Training of Students in Outdoor Recreation.....(10)	12,000	6,000
		Sundries.....(12)	42,400	33,500
			12,419,300	11,901,100
		(Further Details)		
		Ottawa—Headquarters.....	861,900	845,100
		Atlantic Region:		
		Regional Office.....	67,900	57,300
		Cape Breton Highlands Park.....	554,500	500,500
		Fundy Park.....	395,400	412,900
		Kejimkujik Lake area.....	186,900	170,600
		Prince Edward Island Park.....	358,200	331,100
		Terra-Nova Park	367,300	347,400
		Central Region:		
		Georgian Bay Islands Park.....	76,600	66,900
		Point Pelee Park.....	241,900	215,500
		St. Lawrence Islands Park.....	94,800	76,200
		Western Region:		
		Regional Office.....	197,900	182,900
		Banff Park.....	2,196,900	2,256,600
		Elk Island Park.....	405,600	389,600
		Jasper Park.....	1,504,200	1,426,200
		Kootenay Park.....	621,100	588,500
		Mount Revelstoke and Glacier Parks.....	899,300	783,600
		Prince Albert Park.....	673,000	707,200
		Riding Mountain Park.....	841,000	808,600
		Waterton Park.....	575,100	519,300
		Wood Buffalo Park.....	654,000	616,400
		Yoho Park.....	645,800	598,700
			12,419,300	11,901,100

	Expenditure	Revenue
1965–66.....	$ 10,502,973	$2,946,519
1966–67.....	10,836,770	3,290,868
1967–68 (estimated).....	11,866,100	4,171,700

		HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING AUTHORITY FOR PAYMENTS TO INDIVIDUALS OR GROUPS PURSUANT TO THE HISTORIC SITES AND MONUMENTS ACT FOR THE PRESERVATION AND COMMEMORATION OF HISTORIC SITES		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		($12,000–$14,000)		
5	2	($10,000–$12,000)		
3	8	($8,000–$10,000)		
		Administrative and Foreign Service:		
2		($16,000–$18,000)		
	3	($14,000–$16,000)		
2		($12,000–$14,000)		
5		($10,000–$12,000)		
6	3	($8,000–$10,000)		
24	22	($6,000–$8,000)		
	3	($4,000–$6,000)		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		Salaried Positions: (Continued)		
		Technical, Operational and Service:		
1		($12,000-$14,000)		
4	6	($10,000-$12,000)		
16	13	($8,000-$10,000)		
23	18	($6,000-$8,000)		
28	27	($4,000-$6,000)		
2	8	(Under $4,000)		
	4	(Seasonal)		
		Administrative Support:		
18	18	($4,000-$6,000)		
10	5	(Under $4,000)		
		Prevailing Rate Positions:		
55	48	(Full Time)		
1		(Part Time)		
63	60	(Seasonal)		
269	248			
(227)	(213)	Continuing Establishment	1,355,900	1,018,400
(13)	(13)	Casuals and Others	45,300	67,500
(240)	(226)	Salaries and Wages (1)	1,401,200	1,085,900
		Overtime (1)	18,200	21,600
		Allowances (1)	12,300	9,500
		Unemployment Insurance Contributions (1)	5,700	5,100
		Travelling and Removal Expenses (2)	80,000	66,900
		Freight, Express and Cartage (2)	12,300	7,600
		Postage (2)	8,500	5,500
		Telephones and Telegrams (2)	28,000	22,900
		Publication of Departmental Reports and Other Material (3)	81,700	3,700
		Exhibits, Advertising, Broadcasting and Displays (3)	30,400	1,700
		Professional and Special Services (4)	492,300	451,700
		Rental of Land, Buildings and Works (5)	1,600	1,400
		Rental of Equipment (5)	23,000	9,100
		Repairs and Upkeep of Buildings and Works (6)	15,300	20,000
		Repairs and Upkeep of Roads, Bridges, Streets, Sidewalks and Trails (6)	131,400	134,400
		Repairs and Upkeep of Equipment (6)	44,100	22,000
		Office Stationery, Supplies and Equipment (7)	24,600	11,200
		Materials and Supplies (7)	145,400	82,700
		Municipal or Public Utility Services (7)	82,900	74,800
		Payments to Individuals or Groups in accordance with agreements entered into by the Minister pursuant to the Historic Sites and Monuments Act for the Preservation and Commemoration of Historic Sites (12)	162,500	259,100
		Sundries (12)	10,200	23,300
			2,811,600	2,320,100

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		(Further Details)		
		Ottawa—Headquarters	850,100	624,300
		Atlantic Region (excluding Fortress of Louisbourg)	710,200	599,400
		Fortress of Louisbourg	568,900	582,200
		Central Region	317,800	195,000
		Western Region	364,600	319,200
			2,811,600	2,320,100
		Expenditure Revenue		
		1965-66 $ 1,120,600 $ 42,231		
		1966-67 2,066,859 43,450		
		1967-68 (estimated) 2,310,100 76,500		
		GRANT IN AID OF THE DEVELOPMENT OF THE INTERNATIONAL PEACE GARDEN IN MANITOBA (10)	15,000	15,000
		Expenditure		
		1965-66 $ 15,000		
		1966-67 15,000		
		1967-68 (estimated) 15,000		
		TO AUTHORIZE PAYMENTS TO THE NATIONAL BATTLEFIELDS COMMISSION FOR THE PURPOSES AND SUBJECT TO THE PROVISIONS OF AN ACT RESPECTING THE NATIONAL BATTLEFIELDS AT QUEBEC (CHAP. 57, STATUTES OF 1908, AS AMENDED) (12)	335,000	354,000
		Expenditure		
		1965-66 $ 275,000		
		1966-67 281,000		
		1967-68 (estimated) 354,000		
		GRANT TO JACK MINER MIGRATORY BIRD FOUNDATION (10)	10,000	10,000
		Expenditure		
		1965-66 $ 10,000		
		1966-67 10,000		
		1967-68 (estimated) 10,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		CANADIAN WILDLIFE SERVICE—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING RESEARCH, CONSERVATION AND DEVELOPMENT OF WILDLIFE RESOURCES, ADMINISTRATION OF THE MIGRATORY BIRDS CONVENTION ACT AND AUTHORITY FOR PAYMENT OF SCHOLARSHIPS FOR THE TRAINING OF BIOLOGISTS AND GRANTS AS DETAILED IN THE ESTIMATES		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
4	4	($16,000–$18,000)		
4	4	($14,000–$16,000)		
18	18	($12,000–$14,000)		
20	18	($10,000–$12,000)		
45	41	($8,000–$10,000)		
		Administrative and Foreign Service:		
1	1	($16,000–$18,000)		
1	1	($10,000–$12,000)		
6	5	($8,000–$10,000)		
2	2	($6,000–$8,000)		
		Technical, Operational and Service:		
3	2	($8,000–$10,000)		
19	18	($6,000–$8,000)		
17	13	($4,000–$6,000)		
2	2	(Seasonal)		
		Administrative Support:		
1	1	($6,000–$8,000)		
29	23	($4,000–$6,000)		
23	18	(Under $4,000)		
2	2	(Part Time)		
198	174			
(196)	(172)	Continuing Establishment	1,405,000	1,197,600
(23)	(23)	Casuals and Others	128,600	103,500
(219)	(195)	Salaries and Wages (1)	1,533,600	1,301,100
		Overtime (1)	18,900	23,800
		Allowances (1)	12,100	9,500
		Memberships in Scientific Associations (1)	500	600
		Unemployment Insurance Contributions (1)	700	300
		Travelling Expenses—Field Investigations (2)	95,200	95,200
		Other Travelling and Removal Expenses (2)	92,900	92,900
		Freight, Express and Cartage (2)	28,000	22,100
		Postage (2)	10,400	17,000
		Telephones and Telegrams (2)	27,000	17,500
		Publication of Departmental Reports and Other Material (3)	105,000	121,200
		Professional and Special Services (4)	623,800	408,200
		Films and Hunting Season Posters (4)	97,200	41,000
		Rental of Land, Buildings and Works (5)	564,800	366,000
		Rental of Equipment (5)	271,000	238,600
		Repairs and Upkeep of Buildings and Works (6)	18,800	10,200

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		CANADIAN WILDLIFE SERVICE (Continued)		
		(Further Details)		
		Repairs and Upkeep of Equipment.....(6)	24,000	24,000
		Office Stationery and Supplies.....(7)	64,600	44,600
		Materials and Supplies.....(7)	162,100	108,700
		Municipal or Public Utility Services.....(7)	15,900	14,000
		Scholarships for the university training of biologists(10)	32,000	19,400
		Grant to Canadian Audubon Society.....(10)	20,000	
		Grant to Canadian Wildlife Federation.....(10)	20,000	
		Sundries.....(12)	500	4,100
			3,839,000	2,980,000
		Expenditure Revenue		
		1965–66..... $ 1,358,482 $ 4,681		
		1966–67..... 2,061,661 676,389		
		1967–68 (estimated)..... 2,890,000 697,000		
		Total, Vote 35.....	**22,217,000**	**19,820,000**
		Expenditure Revenue		
		1965–66..... $13,810,272 $2,993,431		
		1966–67..... 17,119,242 4,010,707		
		1967–68 (estimated)..... 19,680,000 4,947,000		
		Vote 40—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Construction or Acquisition of Buildings, Works, Land and Equipment including expenditures on works on other than Federal property, authority to make expenditures on proposed new National Parks in the areas of Kejimkujik Lake in Nova Scotia and in New Brunswick and Newfoundland		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction of Buildings and Other Construction Projects.....(8)	.....	1,329,900
		Acquisition of Cars and Trucks.....(9)	31,600	30,200
		Acquisition of Other Equipment.....(9)	28,400	27,200
			60,000	1,387,300

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION (Continued)		
		(Further Details)		
		Ottawa—Headquarters	27,000	1,182,500
		Atlantic Region	6,000	129,300
		Central Region	2,000	15,000
		Western Region	25,000	60,500
			60,000	1,387,300
		Expenditure		
		1965–66 $		
		1966–67		
		1967–68 (estimated) 1,263,076		
		NATIONAL PARKS—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY AND AUTHORITY TO MAKE EXPENDITURES ON PROPOSED NEW NATIONAL PARKS IN THE AREAS OF KEJIMKUJIK LAKE IN NOVA SCOTIA AND IN NEW BRUNSWICK AND NEWFOUNDLAND		
		Construction of Trunk Highways including Bridges (8)	4,039,000	4,155,000
		Construction of Other Roads, Bridges and Trails (8)	1,638,100	1,395,900
		Construction of Buildings and Other Construction Projects (8)	6,668,900	6,886,500
		Acquisition of Cars and Trucks (9)	583,800	505,000
		Acquisition of Tractors and Heavy Road Machinery (9)	299,900	260,400
		Acquisition of Fire-Fighting Equipment (9)	44,200	38,300
		Acquisition of Other Equipment (9)	411,100	356,400
			13,685,000	13,597,500
		Less: Anticipated lapses (13)	.....	500,000
			13,685,000	13,097,500
		(Further Details)		
		Ottawa—Headquarters	562,500	169,100
		National Parks Trunk Highways	4,131,000	4,155,000
		Atlantic Region:		
		Regional Office	155,300	45,100
		Cape Breton Highlands Park	603,600	375,100
		Fundy Park	326,900	708,800
		Kejimkujik Lake area	1,133,200	968,800
		Prince Edward Island Park	310,500	247,900
		Terra Nova Park	242,500	404,400
		Newfoundland	140,000	
		New Brunswick	34,000	
		Central Region:		
		Regional Office	8,000	
		Georgian Bay Park	28,600	59,000
		Point Pelee Park	380,400	152,200
		St. Lawrence Islands Park	248,700	83,900

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		NATIONAL PARKS—CONSTRUCTION OR ACQUISITION (Continued)		
		(Further Details) (Continued)		
		Western Region:		
		Regional Office	58,200	51,400
		Banff Park	1,705,800	2,135,000
		Elk Island Park	88,500	163,800
		Jasper Park	1,476,000	1,358,800
		Kootenay Park	140,500	326,300
		Mount Revelstoke and Glacier Parks	527,500	792,300
		Prince Albert Park	410,400	441,500
		Riding Mountain Park	322,900	342,300
		Waterton Lakes Park	220,700	274,000
		Wood Buffalo Park	150,900	118,000
		Yoho Park	278,400	224,800
			13,685,000	13,597,500
		Less: Anticipated lapses	.....	500,000
			13,685,000	13,097,500
			Expenditure	
		1965-66	$ 11,959,612	
		1966-67	14,530,603	
		1967-68 (estimated)	12,687,596	
		HISTORIC SITES—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY		
		Construction of Other Roads, Bridges and Trails (8)	196,100	170,000
		Construction of Buildings and Other Construction Projects (8)	4,038,900	3,852,800
		Acquisition of Cars and Trucks (9)	28,800	16,000
		Acquisition of Other Equipment (9)	80,200	44,600
			4,344,000	4,083,400
		(Further Details)		
		Ottawa—Headquarters	725,000	549,500
		Atlantic Region (excluding Fortress of Louisbourg)	935,000	790,600
		Fortress of Louisbourg	1,530,000	1,523,500
		Central Region	623,000	710,400
		Western Region	531,000	509,400
			4,344,000	4,083,400
			Expenditure	
		1965-66	$ 2,572,607	
		1966-67	3,451,145	
		1967-68 (estimated)	3,617,528	

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		CANADIAN WILDLIFE SERVICE—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land.....(8)	1,009,300	1,187,000
		Acquisition of Equipment.....(9)	132,600	180,900
			1,141,900	1,367,900
		Expenditure		
		1965–66..... $ 392,623		
		1966–67..... 759,938		
		1967–68 (estimated)..... 1,067,900		
		Total, Vote 40.....	**19,230,900**	**19,936,100**
		Expenditure		
		1965–66..... $ 14,924,842		
		1966–67..... 18,741,686		
		1967–68 (estimated)..... 18,636,100		

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS AND NORTHERN DEVELOPMENT				
	Indian Affairs				
L35	To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under Section 69 of the Indian Act, notwithstanding subsection 5 thereof, shall not exceed $2,400,000; additional amount required	400,000	1	399,999	
L40	To increase to $2,000,000 the amount authorized for loans to Indians and Eskimos by Loans, Investments and Advances Votes L51a, Appropriation Act No. 9, 1966, L51g, Appropriation Act No. 2, 1967 and L51a, Appropriation Act No. 7, 1967, which Votes authorized loans and advances to Indians and Eskimos for the construction or acquisition of houses and land in areas other than Indian Reserves, including authority to forgive repayment thereof	999,999	1	999,998	
	Northern Program				
L45	To increase to $990,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 672, Appropriation Act No. 2, 1962, as amended, which Vote authorized the making of mortgage loans for low-cost housing to residents of the Territory; additional amount required	350,000	400,000	.....	50,000
L50	To authorize loans to the Government of the Yukon Territory, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, for the development of a townsite at Anvil, Yukon Territory	500,000	.....	500,000	
L55	To increase to $150,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 762, Appropriation Act No. 2, 1961, which Vote authorized the making of second mortgage loans to residents of the Territory for the purchase or construction of houses in the Territory under the National Housing Act; additional amount required	50,000	.....	50,000	
L60	To increase to $7,780,064 the amount authorized for loans, in the current and subsequent fiscal years, to the Government of the Yukon Territory, by Votes L45, Appropriation Act No. 5, 1967 and L45c, Appropriation Act No. 1, 1968 which Votes authorized loans for capital expenditures on terms and conditions approved by the Governor in Council; additional amount required	2,780,063	5,000,000	.....	2,219,937
	Northern Canada Power Commission				
L65	Advances to the Northern Canada Power Commission for the purpose of capital expenditure in accordance with section 15 of the Northern Canada Power Commission Act	8,200,000	3,591,000	4,609,000	

OFFICIAL REPORT OF MINUTES OF PROCEEDINGS AND EVIDENCE

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ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, NOVEMBER 5, 1968

The Northern Canada Power Commission
Revised Main Estimates (1968-69)

WITNESSES:

Representing the Northern Canada Power Commission: Mr. J. A. MacDonald, Chairman; Mr. E. W. Humphrys, General Manager and Chief Engineer.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29113—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson
Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Duquet,	O'Connell,
[1] Borrie,	Laprise,	Orlikow,
Buchanan,	Marchand (*Kamloops-Cariboo*),	[3] Peters,
Cullen,	McKinley,	Simpson,
Dinsdale,	Nielsen,	Smerchanski,
[2] Durante,		Southam,
		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Guay (*Lévis*) on October 23, 1968.
[2] Replaced Mr. Leblanc (*Laurier*) on October 24, 1968.
[3] Replaced Mr. Howard (*Skeena*) on October 23, 1968.

Corrigendum (English copy only)

Proceedings No. 1—TUESDAY, October 22, 1968.

In Appendix A

Insert after page 40 the following from the Revised Main Estimates for the fiscal year ending March 31, 1969:

LOANS, INVESTMENTS AND ADVANCES 579

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (Continued)				
	Northern Transportation Company Limited				
L70	Loans to Northern Transportation Company Limited in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, to finance the acquisition of transportation facilities for use on the Mackenzie River and Central Arctic Coast.....	6,000,000	.....	6,000,000	
	General				
—	Appropriations not required for 1968-69.....	.....	6,048,105	.....	6,084,105
		19,280,062	15,075,107	4,204,955	

ORDERS OF REFERENCE

HOUSE OF COMMONS
THURSDAY, October 24, 1968.

Ordered,—That the name of Mr. Durante be substituted for that of Mr. Leblanc (*Laurier*) on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, October 23, 1968.

Ordered,—That the names of Messrs. Peters and Borrie be substituted for those of Messrs. Howard (*Skeena*) and Guay (*Lévis*) on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29113—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 5, 1968.
(2)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:11 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs: Borrie, Buchanan, Cullen, Duquet, Durante, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Peters, Simpson, Southam, St-Pierre, Watson, Yewchuk—(15).

Also present: Messrs. Barrett, Howard (*Skeena*).

In attendance: From the Northern Canada Power Commission: Messrs. J. A. MacDonald, Chairman; E. W. Humphrys, General Manager and Chief Engineer; C. Prevey, Assistant General Manager—Administration and Finance; T. Stott, Treasurer; W. D. Mills, Secretary.

The Chairman announced the membership of the Subcommittee on Agenda and Procedure and it is as follows: the Chairman of the Committee, Mr. Watson, the Vice-Chairman, Mr. St-Pierre, and Messrs. O'Connell, Marchand, Simpson, Peters, Laprise.

On motion of Mr. Duquet, it was

Agreed,—That Appendix A of the English edition of the Proceedings of October 22, 1968 (No. 1) be corrected by inserting the top half of page 579 of the Revised Estimates for the fiscal year ending March 31, 1969, which relates to the Northern Transportation Company Ltd.

The Chairman informed the Committee that the Subcommittee on Agenda and Procedure had met on Tuesday, October 29, 1968 and he submitted the First Subcommittee report. It is as follows:

> Your Subcommittee recommends that the Committee call first those items in the Revised Main Estimates for 1968-69 referred to the Committee relating to the Northern Canada Power Commission and the Northern Transportation Company Ltd., and then proceed to the items relating to the Department of Indian Affairs and Northern Development and that during the consideration of the estimates the following procedure be adopted:
>
> (*a*) The first item (Departmental administration) be called, and that discussion and questions of a general nature be permitted, but questions that clearly relate to specific items be postponed until the appropriate item has been reached;
>
> (*b*) When the general discussion is completed, the first item be allowed to stand for further consideration and the Committee proceed to consider and approve the subsequent items;
>
> (*c*) Only members of the House of Commons, who have been officially designated to the Committee, may be permitted to carry on the initial questioning respecting each item, but, prior to the approval of each item by the Committee, other members of

the House of Commons also may have an opportunity to pose questions to the witnesses;

(*d*) When all of the items have been approved, except the first item, the Committee will return to further consideration of that item, at which time all unanswered questions may be dealt with and unfinished business completed;

(*e*) The first item of the estimates will then be approved, or otherwise dealt with, and the Committee will proceed to prepare its Report to the House.

It was moved by Mr. St-Pierre, that the First Report of the Subcommittee on Agenda and Procedure be concurred in and after debate, it was

Agreed,—That the First Report of the Subcommittee and Agenda and Procedure be concurred in.

The Chairman announced that on Thursday, November 7, 1968, the Committee would have before it the officials from the Northern Transportation Company Ltd.

The Chairman called item L-65 of the Revised Estimates for the fiscal year ending March 31, 1969 relating to the Northern Canada Power Commission after which he introduced the witnesses and called on Mr. MacDonald, the President of the Company, to make a statement.

Mr. MacDonald made a statement following which he and his officials were questioned by the members of the Committee.

Later, it was

Agreed,—That the officials of the Northern Canada Power Commission be recalled on Thursday, November 7, 1968 for a half hour so as to allow certain members to complete their questioning.

On motion of Mr. Simpson, it was

Agreed,—That the Committee adjourn until Thursday, November 7, 1968.

At 1:01 p.m. the questioning of the witnesses continuing the Chairman adjourned to Thursday, November 7, 1968.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

• 1012

Tuesday, November 5, 1968

The Chairman: Gentlemen, I see a quorum. I would like to give you the report of the Subcommittee on Agenda and Procedure. The members are the Chairman of the Committee, the Vice-Chairman of the Committee, Mr. St. Pierre, Mr. O'Connell, Mr. Simpson, Mr. Peters, who replaced Mr. Howard (Skeena) temporarily Mr. Laprise and Mr. Marchand (Kamloops-Cariboo).

I want to bring to the Committee's attention a correction that is necessary in the English version of issue No. 1. We omitted the estimates of the Northern Transportation Company Limited. I wonder if I could have a motion that appendix "A" of the English version of Proceedings No. 1 of October 22, 1968, be corrected by inserting the top half of page 579 of the Revised Estimates for the Fiscal Year Ending March 31st, 1969, which is as follows—we will simply insert it. Could I have a motion to that effect. Mr. Duquet moves that the correction be made. It is agreed? Agreed.

I would like to read to you the first report of the Subcommittee on Agenda and Procedure.

(See Minutes of Proceedings for Text of the Report)

Could I have a motion of concurrence in this report?

Mr. Nielsen: Are you going to call for a discussion on the report at some later time? Especially on the motions?

The Chairman: If anyone would like to discuss this now—

Mr. Nielsen: I was wondering, in view of the recommendation that the discussion be restricted to the specific item rather than having a general discussion on Item 1, whether this is in keeping with the rules and practice which has heretofore been in force. I have not checked it myself, but it would appear at first blush that the steering committee may be asking this Committee to approve something which is *ulta vires* since it has been our practice and it would seem to be unduly restrictive.

The Chairman: Mr. Nielsen, we discussed this in the Committee and the Minister will be making a statement next Tuesday. I presume at that time the objection which you are raising now will be overcome because we will be on Item 1 then. We felt that we could get rid of the Northern Canada Power Commission and the Northern Transportation Company Limited this week. They are two separate items and we just felt we could deal with them initially. Then we will proceed to the general departmental estimates. It was just a matter of procedure and we are not trying to avoid dealing with Item 1 by this procedure. It was simply a matter of getting rid of these two items first and proceeding to the Department itself afterwards.

Mr. Nielsen: I can see this. It is very practical and very reasonable as long as when we come to a discussion of the general estimates we will not be in any way restricted on Item 1. I may have misunderstood the report, but if the practice of the past, an unrestricted discussion on Item 1, is permissible, then I am happy.

The Chairman: Yes. I think your objection is covered here. I will just read you the first three lines of paragraph (a).

The first item, Departmental Administration be called and that discussion and questions of a general nature be permitted.

That I think covers your objection.

Mr. Nielsen: Thank you, Mr. Chairman.

The Chairman: Shall the motion carry?

Some hon. Members: Carried.

The Chairman: The business for Thursday of this week will be consideration of the estimates of the Northern Transportation Company Limited. The following Tuesday, the Hon. Jean Chrétien will be before the Committee. I will now call item L65, Northern Canada

Power Commission. The entry is to be found on page 40 of Issue No. 1.

The Committee has received a copy of the annual report of the Commission and the witnesses are Mr. J. A. MacDonald, Chairman of the Northern Canada Power Commission; Mr. E. W. Humphrys, General Manager and Chief Engineer. I think everyone knows Mr. MacDonald, but I would like to introduce Mr. Humphrys to the Committee. Mr. C. Prevey, Assistant General Manager; Mr. T. Stott, Treasurer, and Mr. W. D. Mills, Secretary.

• 1120

I will now call upon Mr. MacDonald to give us an initial explanation of the functions and work of the Northern Canada Power Commission.

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission and Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Chairman, members of the Committee, if it would be helpful to the Committee I would like to give some background.

The Northern Canada Power Commission was established by the Northern Canada Power Commission Act in 1948 and is empowered to construct and operate public utility plants in the Northwest Territories, the Yukon Territory, and, with the approval of the Governor-in-Council, elsewhere in Canada. As it is a requirement of the Act that the Commission's projects shall be self-sustaining, the rates charged for utilities supplied must provide sufficient revenue to cover interest on investment, repayment of principal over a period of years, operating and maintenance expense, and a contingency reserve. The Commission is thus a Federal Government Agency concerned with the construction and management of public utilities on a commercial basis. As of March 31, of this year the Commission was operating five hydro generating stations, ten independent diesel-electric plants, and three thermal stations, forming part of the "Utility" plants which supply power, central heat, water and sewerage services. On September 30 of this year the Commission's staff totalled 306 employees. Of this number 58 were located in Ottawa, 3 at the Regional Purchasing Office in Edmonton, Alberta and the remaining 245 employees at various plants throughout Canada. Now, by way of further background the operating plants are located at Yellowknife, Mayo, Whitehorse, Taltson River, Fort Smith, Fort Simpson, Inuvik, Frobisher Bay, Fort Resolution, Fort McPherson, Aklavik, Dawson, Cambridge Bay, Coppermine, Moose Factory, and Field, B.C.

The Commission is a very significant factor in the economic development of the Canadian North dealing as it does with the supply of energy. The development of the extractive industries, the mining industry particularly, is predicated very largely on the availability of a dependable power supply. In the conditions that apply in the North both climatic and economic problems of supplying this power are quite different than they are in other areas of the country. The responsibility for serving the need in both the Territories where the value of mineral production is expected to double by 1972 from the present figure of $140 million per annum has been assigned to the Northern Canada Power Commission.

The main responsibilities of the Commission can be summarized as follows: the construction or acquisition of power plants and transmission facilities in the Northwest Territories and the Yukon to supply electric power for commercial and industrial enterprises at cost in connection with their northern development programs; the construction or acquisition of power plants and distribution systems at settlements in the Northwest Territories and the Yukon Territory, and under special circumstances elsewhere in Canada wherever the load is sufficient to support a central generating plant operated to utility standards; the construction or acquisition of other public utilities such as water, heat and sewerage facilities in the Northwest Territories and the Yukon as required and to operate them at cost for residents there. The provision of additions, extensions and improvements, including the acquisition of equipment to ensure the continuing efficient operation of existing installations is, of course, another objective.

• 1125

Inherent in these functions is, of course, the responsibility of setting the lowest possible rate structure for the utilities supplied consistent with the need to operate on a self-sustaining basis, which is the statutory requirement. In keeping with the objectives of actively participating in the economic development of the North, the Commission is establishing a Planning and Development Group which will keep in touch with the rapid changes in the North, and prepare long-

range plans to ensure that electric power and other utilities are developed to meet the needs of the North at each stage of its expansion and development.

In this connection the Commission is confronted by a complex and formidable problem. It must pre-plan, construct and provide power and other utilities as soon as they are required. At the same time it must avoid construction of expensive power plants and transmission lines for commercial ventures which may be short-lived or never get into active production on a continuing basis. Mining in the North creates a particular problem in this respect as some mines remain operational for a short period of time.

Under the present terms of the Northern Canada Power Commission Act, the Commission may obtain loans approved in estimates by Parliament and authorized for individual projects by Order in Council. Interest is charged on these loans at the current rate in effect at the time the loan is negotiated plus repayment of the loan in full amortized over a period of time consistent with the life of the asset—normal utility practice. Operating costs must be paid entirely out of revenue received from the sale of power to the Commission's customers.

The requirement in the Act that each facility be self-supporting means that a loss in the operations at unit cannot be absorbed by a surplus from operations at another. In effect the Commission is running 17 separate power companies, each one of which must be self-supporting. Surpluses can be used to provide additional capital facilities for plants or, alternatively, to reduce power rates.

From an economic standpoint one of the Commission's greatest problems is the fact that because of a sparse population and power demands, several of the Commission's installations are small installations with relatively high overhead costs. Five of the installations, namely those at Whitehorse, Mayo, Taltson River and two at Yellowknife, are hydro projects providing relatively low-cost power. The remainder of the installations are deisel either because there is no natural source for hydro power, or the installation is too small to warrant a hydro development. Power rates in communities where there are large diesel installations are relatively low; however, where only a small diesel operation is warranted rates are relatively high.

I might just touch on a few other points; for example, the employment of Indian and Eskimos, which is a concern to our Commission and to our Department and to this Committee. The Commission adheres to Federal Government policy of aiming at 75 per cent indigenous staff by 1977. In an industry demanding sophisticated, technical know-how, the Commission has already made considerable progress in this direction. The number of permanent staff is 213, and about 83 are indigenous to the region. Applicants for jobs are not required to identify themselves as being Indian, Eskomo or white so that the figures I am going to give you are, therefore, approximate, but the following breakdown gives some idea of who are indigenous to the North: Indians, 27; Metis, 24; Eskimos, 16; northern residents—that is, people born in the north—16, for the total of 83.

There are also 78 employees resident in the North who are hired on a casual basis. In promising individual cases, Eskimos and Indians are trained in such occupations as electricians and linemen, under programs administered by the Department. Academic education given the native peoples allows the Commission to hire and promote an increasing number in its expanding operations. The Commission finds incompatibility between the desire of the Indians and Eskimos to retain their native cultures and their joining the expanding economy in the North. The management instructs its supervisors to understand that many indigenous Northern Canadians have a heritage that leads them to hunt and fish during certain times of the year; measures have been taken to provide for absenses in these cases and the effect on maintaining normal operations has been negligible.

The Commission hopes eventually to hire Indian and Eskimo electrical and civil engineers as educational facilities in the North are improved and as they stream through the system. I think I should add one final point which is a little bit beyond the purview of the Commission but touches it, and that is a social problem the relatively high cost of power does produce in some areas of the north. We have a contradiction here in the fact that we are bringing the amenities of the modern age to native people but at a cost which sometimes is prohibitive or nearly prohibitive, and there is no flexibility or leeway within the present framework of the statute to cope with this. Clearly, the only thing that would would be a subsidy. This would be a matter of government policy and is, obviously, again a matter of considerable ramification. I thought I should just touch on that.

• 1130

That, Mr. Chairman, is a very brief background of the physical aspects of the Commission and some of its operations.

The Chairman: Thank you very much, Mr. MacDonald. Do we have questions? Mr. St. Pierre?

Mr. St. Pierre: In the last year of operation, Mr. MacDonald, has the Yukon Territorial Council or the Northwestern Council asked for power developments which have been refused?

Mr. MacDonald: No, sir.

Mr. St. Pierre: In the matter of diesel operation, I was surprised when I was last in Yellowknife to find that I could buy gas cheaper there than I could in some areas in my own riding in southern British Columbia. Are your diesel fuel costs low and, if so, how do your diesel operations compare with operations of comparable size in, say, British Columbia, where we still have some diesel operation?

Mr. MacDonald: I will ask our General Manager to answer that.

Mr. E. W. Humphrys (General Manager and Chief Engineer, Northern Canada Power Commission): The cost of fuel in the Northwest Territories, particularly, is no less compared, say, with the Yukon because we are supplied in oil from Norman Wells; but even there it varies all the way from about 15 cents or less than 15 cents a gallon in Norman Wells to about 20 cents or 25 cents in more remote places and up to 50 cents a gallon in places like Coppermine and Cambridge Bay, even 60 cents a gallon. The amount and actual cost of fuel for generation of power will be relatively the same in our operation as they are in British Columbia, but the cost per kilowatt hour of fuel will be higher on the average in the Northwest Territories than it is in British Columbia. But you do have to be specific about the particular locality because there is such a variation in fuel costs.

Mr. St. Pierre: Generally speaking, your costs of operation are higher?

Mr. Humphrys: No, no.

Mr. St. Pierre: Not so much for reasons of fuel, but for the associated reasons?

Mr. Humphrys: For associated reasons. Wages are higher. One of the main reasons that the cost of power is higher is that the amount of power being produced is comparatively small, so the overhead factors are high. The operating staff and the maintenance requirements and so on, to run a plant of, say, 200 kilowatts output, are vitually the same as for a plant of 1,000 kilowatts. Consequently, the unit cost is unavoidably high in these small operations.

Mr. St. Pierre: Thank you, Mr. Chairman.

The Chairman: Mr. Simpson?

Mr. Simpson: I would like to get a bit of a rundown of comparative rates charged, say, to individual consumers and domestic users.

Mr. Humphrys: In Fort Resolution, Northwest Territories, the minimum charge is $2 a month, which includes 10 kilowatt hours. The first 75 kilowatt hours are 15 cents, and these are net rates after a discount for prompt payment. At Aklavik the charge is $2 with a straight charge of 12 cents per kilowatt hour; at Dawson the rate is $2 minimum with 12 cents for the first 100, 10 cents for the next 200, 6 cents for all over 300 kilowatt hours. These are domestic rates I am quoting. Fort Smith's minimum charge is $2 including 10 kilowatt hours, the first 75 kilowatt hours are six cents, the next 200 three cents, the next 500 two cents, and all over 750, three cents. At Mayo in the Yukon we have a minimum charge of $1.20, the first 50 kilowatt hours at 7 cents, the next 100 at 4 cents, and the next 100 at 3 cents. At Fort Simpson the first 10 kilowatt hours is a minimum of $2, the next 75 hours at 8 cents, and all over that is 5 cents. In Inuvik the first 10 kilowatt hours is $2, the next 75 is 6 cents, and all over that is 4½ cents. Frobishers Bay's minimum is $2 with a straight rate of 7 cents for all consumption. At Field, B.C., it is 9 cents per kilowatt hour for the first 100 kilowatt hours, and 4 cents for all in excess of that. These are representative of the rates.

• 1135

Mr. Nielsen: You might as well put the Whitehorse figure on the record, too.

Mr. Humphrys: We do not have the Whitehorse rate because we do not supply power in Whitehorse at the retail rate.

Mr. Nielsen: What is it sold to the supplier for?

Mr. Humphrys: It is sold to the supplier at 1¼ cents, and roughly it varies between 1.6 and 5 cents per kilowatt hour on the retail level.

Mr. Simpson: As a point of interest, could I have a little information on the operation at Field, B.C.? What is that in conjunction with?

Mr. MacDonald: That is one of the areas which you noted the reference to—operations in the Northwest Territories and the Yukon and other areas in Canada authorized by the Governor in Council. There are a number of in-house situations, Moose Factory and Field being two cases where it is a National Park the CPR were withdrawing from it, and our needs were increasing, and the Northern Canada Power Commission were asked to undertake the task of looking after the power; and likewise at Moose Factory where Ontario Hydro were not interested in going in but we had extensive requirements on the part of the Department of National Health and Welfare, our own requirements, and so on.

Mr. Simpson: I note the rates are quite high in Field, B.C. Is there any specific reason for that? Is there a small amount of power used?

Mr. Humphrys: It is entirely due to the small amount of power, the comparatively small requirement, and it is an independent diesel plant operation. The fuel cost is around something over 20 cents a gallon, but it is chiefly a function of the small size of the operation.

The Chairman: Do you have any further questions now, Mr. Simpson?

Mr. Simpson: I have some other questions but possibly I can ask them later on.

The Chairman: Mr. O'Connell is next on my list.

Mr. O'Connell: The first point I would like to raise is the logic of the statutory requirement that each plant be self-sustaining in the system. I would appreciate if we could have some comment on that. It seems to me there might be more flexibility in rate structures and a greater possibility of the Power Commission being of a more developed type to bring power to some users, particularly those called indigenous, if the system itself were self-sustaining, but not necessarily each unit.

I would appreciate if in the comments on that question we could have some indication of what proportion of what seems like a quarter of a million kilowatts per annum goes to industrial users such as mines or oil companies, what proportion goes to government units—the federal government through its various departments or other governmental units—and what proportion goes to the retail, excluding those other two categories?

Mr. MacDonald: Mr. Chairman, I shall deal with the first part of the question and ask Mr. Humphrys to see if he has the figures on the latter part.

I think, as a Commission, we would agree that the present statute is too tightly drawn. It does, I think, act as an inhibiting factor in several ways: one, in any hope of acting as a rate equalizing factor; and two, in anticipating expansions in the future. These, of course, as you will appreciate, would be matters of government policy as to whether the statute should be changed.

When it was drawn up, I believe it was drawn somewhat cautiously because it represented a fairly novel intervention on the part of the federal government in this field. I surmise that the tendency was to make sure that it was run on a sound commercial basis, and a little bit of undue emphasis was placed upon the self-sufficiency of each plant.

Within the Commission and within the Department we have views on these matters, and I believe the Minister will be giving consideration to proposing amendments to the statute.

• 1140

Mr. O'Connell: That would be section 10. I am interested in whether this Committee would be in a position to make a recommendation with respect to that. It seems to me it is a very inhibiting statutory requirement.

Mr. MacDonald: There is no reason in the world. I do not wish to appear to lead the questioner. It just happens that we have been thinking about this for a long time. I think we agree that it is a restricting factor from several points of view.

Mr. O'Connell: Well, Mr. Chairman, at a later time in the discussions I would be prepared to move something to the effect that the Commission be on a self-sustaining basis, but not necessarily each plant within it.

The Chairman: Mr. O'Connell, I think this is something we should perhaps discuss in one of our steering committee meetings and later come back to the Committee with some recommendations on how we should proceed, if we are going to make any recommendations.

Mr. O'Connell: I am agreeable.

Mr. MacDonald: Perhaps I should add that there are areas of power generation in the North where, because of their scattered nature and their small size, even pooling the whole thing would not really contribute to the social problem, which I touched on in my remarks and which I think was in your mind as well. I think the Commission as a commercial enterprise will have to be self-sustaining, but probably something else will be required on top of that.

Mr. O'Connell: Yes. I would like to come to that question at some time.

Mr. MacDonald: I think that would be something done not by the Commission but by appropriations.

Mr. O'Connell: Yes, I agree. Could we have some comment on the industrial and other users, Mr. Chairman, the proportions of power that—

Mr. MacDonald: Mr. Humphrys, would you answer that?

Mr. Humphrys: Yes. I do not have a breakdown between federal government consumption and that of the general public, but of 250 million kilowatt hours per annum, about 160 million kilowatt hours go into industrial use which is mining activities. The balance is under the heading of commercial and domestic, and while we can break these figures down into proportions of federal government consumption versus general public consumption, unfortunately. I have not got that breakdown with me. However, the federal government requirement is quite predominant in the non-industrial use and it is by far the largest consumer, I would say.

Mr. O'Connell: I would very much appreciate having those figures.

Mr. Humphrys: We will get them for you.

The Chairman: You will undertake to supply them this week?

Mr. Humphrys: Yes.

Mr. O'Connell: Could I pursue this line a little further? Does the Commission have a monopoly virtually in the production of power in the Yukon and in the Northwest Territories, and if not, could you give us an idea of what amount of private power is produced, whether it is industrial power, and so forth?

Mr. Humphrys: The Commission has no monopoly and there are other producers in the Yukon. The Yukon Electric Company generate some power that is sold in Whitehorse but they buy the bulk of their power from us. The ratio is something in the order of 1,000 kilowatts that they produce and we supply them with something in the order of 7,000 or 8,000 kilowatts right now. That is the only one in the Yukon.

• 1150

Of course, in outlying parts of the Yukon, the Yukon Electric lhave a number of small generating stations, independent units, that are operated in the same fashion as a number of our independent ones. Also in the Yukon there is one mine I can think of, the Clinton Creek asbestos mine, that supplies its own power, which is something in the order of 3,000 kilowatts. There are one or two other mines in the Yukon that are supplying their own needs.

In the Northwest Territories we are the predominant supplier, although the Consolidated Mining and Smelting Company near Yellowknife operate a hydro plant and supply virtually all the power required for their mine at Yellowknife. They do buy some power from us for electric heating, as off-peak power, and occasionally some firm power. Also the Consolidated Discovery Mine buys power from us now. There have been Hogan Mines in the Northwest Territories that had their own generation station.

There is one other private supplier in the Northwest Territories, the Northland Utilities which supply the town of Hay River and one or two other mining communities; Providence and Enterprise, I think it is.

Then there are a number of smaller generating stations throughout the Northwest Territories operated by the Department of Indian Affairs and Northern Development or the Department of Transport in the more remote localities where there is no sensible commercial requirement. In some instances we have moved into these and taken them over. Whenever a commercial requirement for power

develops it is generally advisable to put in on a commercial basis, which we can do more readily than the departments.

Mr. O'Connell: Would you hazard a guess at the percentage of power developed in the two Territories through your Commission?

Mr. Humphrys: Oh, I would guess about 80 per cent.

Mr. O'Connell: Thank you.

The Chairman: Next on my list is Mr. Buchanan.

Mr. Buchanan: Mr. Chairman, a good deal of the area which interested me has already been explored by Mr. O'Connell. There is this substantial variation in rates from centre to centre, depending on whether you take in the reductions quantity, from two to three times, which would obviously seem to greatly favour certain areas. Of course, this lead into this question: is it rational or is it reasonable? Are you aware of any specific instance where this higher rate has been a drag on the development of any particular industry or other type of development in certain areas because of the substantially higher power prices which it had to pay?

Mr. MacDonald: I am not aware of any particular instance, although there is no doubt that the supply of power is a critical factor in the development of an industry. Fortunately, I think—the General Manager can supplement or correct me on this—most of the developments have taken place in areas where we have been able to supply power at rates which were economical from their point of view, and the critical factors were markets, transportation and so on. Power is one factor but not the only factor in the equation.

Mr. Humphrys: The mere existence of a demand for power is a big factor in ensuring that the cost is not very high. Consequently, in all the places where our rates are low there is an industrial demand, such as in mining. This has in effect supported a lower cost operation, either a hydro plant or — Well, in all instances it has been hydro, actually, but even if we did get into a situation where power had to be supplied by diesel, the larger demand would result in a much more rational or reasonable rate structure than is possible where the demand is only a few hundred kilowatts.

Mr. Buchanan: My concern, like Mr. O'Connell's, is which comes first, the chicken or the egg—that sort of thing.

The other matter, and you did refer to this, Mr. MacDonald, pertains to the employment of the indigenous population. I do not know if it was in your report or one of the others but particular reference was made to the fact that it had been found that the Eskimos had a strong aptitude for mechanical work and were particularly talented in this area. Would your experience bear that out?

Mr. MacDonald: Oh, yes. I think this has been the experience of everyone in the North, whether it be mechanical or any other kind of aptitude. There are no differences at all; it is just a question of opportunity for training, whether it be skills training or more advanced training through university.

Mr. Buchanan: Do you have any special programs for developing this?

Mr. MacDonald: We have in the Department very extensive training programs for both the Eskimo and the Indian people.

Mr. Buchanan: Is this on-site or is the training actually done outside of the North?

Mr. MacDonald: Some of the training is done in the Territories; some of it is done outside; some of it has been done through arrangements with the provinces; that is skills training.

Mr. Buchanan: How extensive, Mr. MacDonald is this?

• 1150

The Chairman: Mr. Buchanan, as we will have a chance to go into this in detail after the Minister has made his statement, and I think we will be getting into the education section of the Department of Indian Affairs, I wonder if we could restrict the questioning here to the training available within the Northern Canada Power Commission.

Mr. Buchanan: That is really what I was directing my question towards.

Mr. MacDonald: The Commission takes advantage of the Department's training facilities. Mr. Humphrys, would you like to elaborate on that?

Mr. Humphrys: Where we can take on local people, particularly Eskimos—Frobisher Bay is a good example—and when we have chaps

that show aptitude and an interest in their work, they are brought along by what they call an "at work training program". They learn the steps and the processes and, if they still show an interest, they are candidates for training through the departmental facilities. We then recommend them to the departmental educational people and, in turn, arrangements are made for them to take a formal training course. However, the bulk of our training is actually on-job training.

The Chairman: Do you have any further questions, Mr. Buchanan?

Mr. Buchanan: That is fine, thank you.

The Chairman: Mr. Cullen?

Mr. Cullen: First, Mr. Chairman, having spent approximately a year in the Northwest Territories, one thing that has impressed me is its size and vastness. You are rhyming off a lot of these names and having lived in that area, although I have heard of some of these places, I am not familiar with their locations. I was wondering whether we could have a map at subsequent meetings for pointing out these areas?

Another thing—I am not sure that I am right in my facts—is that it strikes me that you seem to be concentrating the development in the northwest part of the Northwest Territories. Is there much development in the Eastern part of the Northwest Territories?

Mr. MacDonald: This takes us a little outside of the ambit of the Commission itself which responds to development, but your observation is correct, of course. The developments so far have been in the Western Arctic, and that includes the Yukon and the western portion of the Northwest Territories. However, we are actively pursuing certain other interesting possibilities; there is a very fascinating iron ore development on Baffin Island, Mary River, which is very high grade—68 per cent.

Our problems there are two-fold, the question of the shipping season which is two to three months and we are working on things like alexbon and we are working in connection with Panarctic and other places. There are other ideas to extend that season but, more important, the present state of the world market for the ore has an important effect on the economic viability. A very important balancer in this development is that it also happens to be fortuitously near a very large settlement of Eskimo people for whom this would be a great avenue of alternative employment if and as the traditional way of life either loses appeal for them or is lost to them for other reasons.

Mr. Cullen: It strikes me that mining seems to be the hope for northern development. I am thinking of a situation some years ago where International Nickel—and I mention the East because I am a little more familiar with that area—took in its own equipment and developed its own power.

Now, this was about 18 years ago, and subsequently Thompson, Manitoba grew out of this particular involvement although it started in the Northwest Territories. Now, would a company like INCO, which was in that area strictly for development and in the final analysis did not discover anything that was economic to develop, receive assistance from the Commission? For example, if they did the whole work themselves, brought in their equipment, develped the power and subsequently had to abandon it after a couple of years, would they receive any assistance from the Commission?

Mr. MacDonald: No, they would not receive any assistance from the Commission; this is not the role of the Commission. They would receive assistance in one of several ways from the Department under the various extension programs for exploration roads and the various other incentives that we have, such as air strips and that kind of thing. Furthermore, if we felt the project was economic, then the Commission would provide for the power because it would follow that the Commission could provide it at viable rates.

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So I do not think there would be any problem of assistance in the sense of having to give something, but we would support it as we do many other ventures that are either in the exploratory or the early development stage.

Mr. Cullen: I have one more question in response. I am thinking of the area at Baker Lake which is a fairly good sized development as far as the North is concerned. Would you respond to an area that might be a sort of base, you might say, for Eskimos and for development companies? That seems to be the area where they come in through Hudson Bay with their ships and unload at Baker and get out again. Would you respond to an area like that which in itself does not provide any-

thing in the economic sense but is a basic operation?

Mr. MacDonald: I can only put it the other way around. We are doing it, for example, at Frobisher Bay right now where really there is no economic development per se but which is an important administrative centre, a jump-off spot for possible development north in Baffin Island and other areas, and we are trying to develop it. The Department and the federal government, through the territorial governments, do have a general responsibility for the development of both the social and the economic sides, so the answer has to be, yes.

Mr. Cullen: Thank you, Mr. Chairman.

The Chairman: Mr. Borrie?

Mr. Borrie: Mr. Chairman, going back to rates again, thinking of this in terms of additional facilities, on the commercial and industrial rates is there a kilowatt demand level set to restrict the user?

Mr. Humphrys: There is no limit set, no.

Mr. Borrie: There is not?

Mr. Humphrys: No. Do you mean a higher rate as the consumption goes up to discourage consumption?

Mr. Borrie: Yes, by kilowatt demand, so that any industry that wished to expand its operations from the original amount of power required would be restricted by kilowatt demand.

Mr. Humphrys: In some contracts we undertake to supply power to a mining company and the amount they want is negotiated at the time. If they have an increasing demand they come back for us to consider what has to be done to meet this and, if it appears to be practical on a commercial basis, we take steps to provide it.

There are limitations at the outset when a company comes along and asks for 5000 or 6000 kilowatts because we have to know how much to develop. We would put in a plant and reserve so much for them. This is a matter of negotiation at the time, but in principle we do not try to restrict the use of power.

Mr. Borrie: Do you have special contracts for industrial or commercial users which would be considered, as other utilities, as being unpublished contract rate?

Mr. Humphrys: No; all the contracts for supply to mining companies are subject to negotiation depending on the circumstances. There is no fixed rate. A mining rate will be so many cents a kilowatt hour depending upon the demand, the location, what the source will be, what the term is likely to be and whether it is hydro supply, and so forth.

The Chairman: Mr. Yewchuk?

Mr. Yewchuk: Mr. Chairman, I did not get this in the mail so I am not sure whether my question would be answered by my reading it, but I will ask it anyway. What standards are used to determine whether you set up a plant in any given area?

Mr. MacDonald: Of course, the existence of a demand will determine what size of plant is required. Taking the extreme end of the scale, the Department has gone into the most remote communities and put in small generating units which are not economical in any sense of the word, and then you scale from there up. Ted, do you have any others?

Mr. Humphrys: Yes, we have. So far as the actual demand for industrial use is concerned it certainly has been a matter of a mining company having a very significant demand and looking around to find how they get a source of power. When it comes to these small operations, for many years we used a rule of thumb. There was no value in getting involved in anything less than 100 kilowatts demand. This has been our rule of thumb. I would not say that it is religiously adhered to; in modern times we are inclined to think more along the lines of 200 kilowatts because otherwise you cannot operate it economically as a commercial venture.

• 1200

Mr. Yewchuk: What does that translate into population?

Mr. Humphrys: It depends very much in these northern communities not so much on population but what their facilities are; whether there is a large school, a hospital, or a nursing station. For instance, in some communities there may be only 300 people but there happens to be a residential school and this creates a demand that is not present in another community, that might have 500 people and a much smaller demand, but I would say on the average something over 250 people as a round figure.

Mr. Yewchuk: Are these power facilities usually limited to a settled area, just the nucleus of it, or do you extend out?

Mr. Humphrys: Just in the general developed area. It does not really extend very far. These communities are so far apart geographically that it is not economically practical to extent a transmission line from one to another such as you have on the Prairies.

Mr. Yewchuk: Many of the areas that I am familiar with have a settled area with a radius of about 10 or 15 miles with a sort of village in the centre of it. Do these usually cover...

Mr. Humphrys: Not that far.

Mr. MacDonald: This pattern of settlement does not prevail in the north. As you will appreciate you do not have an agricultural pattern, you have...

Mr. Yewchuk: No, I do not necessarily mean agricultural, Mr. MacDonald. They just live by themselves off a way in the bush.

Mr. MacDonald: No, we do not.

Mr. St. Pierre: I have a supplementary on that, Mr. Chairman. What about a community such as Holman Island; are you involved there?

Mr. Humphrys: No, this is supplied by a local branch operated by the Department.

Mr. St. Pierre: In the case of the Holman Island people, would they be getting power free, then, or does the Department make charges?

Mr. Humphrys: As I understand it, in the case of private individuals if the Department cannot supply them they have a straight rate of 12 cents a kilowatt hour.

The Chairman: Mr. Humphrys, I have a supplementary question too. Have you finished, Mr. St. Pierre?

Do I understand correctly from what you have just said that you do not supply power to communities where the population is less than 200 or 250 because it is not economic to put in a unit?

Mr. Humphrys: Well, there is not a sufficient demand in these places to warrant operating on a commercial basis, and it has generally been a subsidized operation. For all these small northern communities one government department or another has had a plant to meet their own requirements, and we have not gone into it unless there was an indicated commercial need.

Mr. MacDonald: Bear in mind that the statute requires each of these projects to be self-sustaining.

Mr. Yewchuk: I should like to know what extent of subsidy is required for an area of 100 or 200 population; what would it be in dollars and cents?

Mr. Humphrys: The cost in these small communities can run to 20 or 25 cents a kilowatt hour. Now, it depends to what extent you want to subsidize it. As I said just a moment ago, the standard rate the Department has set in the North is 12 cents, so there is a matter of perhaps 10 to 15 cents subsidy and there would be something of the order of 100,000 kilowatt hours involved, so you are getting into something of the order of $10,000 to $15,000.

Mr. Yewchuk: Per year?

Mr. Humphrys: Yes, per year in a small community.

The Chairman: I have a further supplementary. In your opinion, Mr. Humphrys, is a reasonable way to approach the problem of servicing small communities with less than 200 population to have the Department or one of the Departments of the government supply the electricity to the population because it happens to have some sort of facilities there itself? Do you feel this is a reasonable way of dealing with the situation, or do you feel that you could do it more efficiently?

Mr. Humphrys: No, for most of these very small communities it is a reasonable way of doing it. We have no magic formula; we can only buy fuel and put it into engines and generate it and if the Department has a reason to have an establishment and personnel there these very small plants generally can be run pretty much on an unattended basis.

Mr. MacDonald: Really part time employees; it is concealed subsidies in the sense that people who are hired to do other jobs are looking after the plant.

Mr. O'Connell: May I ask a question supplementary to the Chairman'? I think the Chairman's question was, is this a reasonable way to supply power to the population? So far as I understand from the previous answers, when a department is supplying power it

supplies it to itself, and really very little to the population.

Mr. MacDonald: No, no. It just happens that the Department runs the generating unit and supplies it to the population. The Commission is not involved.

Mr. O'Connell: And charges the population.

Mr. MacDonald: It charges 12 cents per kilowatt hour.

The Chairman: Mr. Simpson, you indicated earlier you had some questions.

Mr. Simpson: I have a supplementary on that question. Do I understand correctly that in all cases in respect of the native people's requirements the Department purchases power from the Commission and, in turn, looks after the distribution to the native people? What I am getting at is, in places where the Commission is operative, does it deal directly with the individual's requirements?

Mr. MacDonald: Yes.

Mr. Simpson: They deal through the Department?

Mr. MacDonald: No, the former, directly with their customers. The Department is not involved, and conversely, where the Department is operating one of these small stations the Commission is not involved. It is a direct supply of power to the little community.

Mr. Simpson: Are there a number of communities where the situation is such that the majority of the native people are now receiving power services in northern areas?

Mr. Humphrys: Yes, it is fair to say the majority are; I would not say all are.

Mr. Simpson: I am thinking of places like Tuktoyaktuk.

Mr. Humphrys: Yes.

Mr. Simpson: Cambridge is, I realize.

Mr. MacDonald: Can we think of some places that are not electrified?

Mr. Humphrys: I do not think there are any places that do not have some electrification, but in some places such as Holman Island, Cape Dorset and Pangnirtung and more remote ones, I do not know what percentage of the locals are receiving power.

Mr. MacDonald: Well, it would be very high in places like Pangnirtung because there the housing program is fully developed and these have power supplies too.

Mr. Humphrys: Yes, it is developing. Baker Lake is a good example. There are some 50 or 75 houses going in and they will be supplied with power; all this new development has power.

Mr. Simpson: I understand this so far as the Eskimo people are concerned, but how about non-Eskimo people? Do they receive power in these communities only in relation to their ability to pay and to have these facilities installed?

Mr. MacDonald: Where the Department is involved there are few non-Eskimo people. You are probably thinking of the Métis or other native-born northerners. This tends to be rather more a characteristic as you go farther west, whereas a lot of the departmental installations are in the rim on the eastern side, so I cannot think of any situation that would quite fit the...

Mr. Simpson: I am thinking of situations such as Dawson.

Mr. Humphrys: Dawson is entirely covered. There might be a few Indians living in tents that have no facilities in their premises, but there are very few people that have no power.

Mr. Simpson: I know other members want to ask questions, but I do want to follow up one thing before I relinquish the floor.

Returning to the matter of employment of native peoples and apart from governmental opportunities for education, does the Commission have any facilities for on-site training such as apprenticeship whereby an Eskimo person who applies himself could eventually, tthrough his work with the Commission receive, say, journeyman's papers as an electrician or something of that nature?

Mr. Humphrys: We do not have the actual formal processes for apprenticeship and training, but this is arranged through the Department. We do have what we call on-job training, and once an individual such as an Eskimo develops to the point where he obviously is a candidate he will be given this kind of training and accorded the standard educational facilities of the Department with apprenticeship rating. He would come out of this training with these papers to his credit.

Mr. Simpson: Thank you. You mentioned that before but I just wondered if there were any cases of their being able to complete their...

Mr. Humphrys: I do not know if I can name any Eskimos at this time. We do have a number of natives and Métis, particularly in the Port Smith area, for which things started a little earlier but we have not had time yet to bring some of these Eskimo people along, but they are coming. We have several Eskimos employed at Frobisher Bay who are doing very well. As far as Eskimos are concerned, you have to bear in mind that most of our operations are not in the Eskimo country.

Mr. Simpson: Yes.

The Chairman: Mr. Borrie?

Mr. Borrie: Mr. MacDonald, did I understand correctly from your opening statement that you are proposing to establish a planning and development board?

Mr. MacDonald: A planning and develpoment group. We have reorganized the Commission recently to try to define several functions rather more clearly and to give emphasis to this point. Things are happening very, very rapidly in the North, both in terms of quantum and in terms of technological development, and we want to make sure the Commission stays abreast of these things.

Mr. Borrie: This would be comprised of whom? Who do you envisage would comprise this group?

Mr. MacDonald: Well, we have given three assistant general managers specific responsibilities under Mr. Humphrys, who is the General Manager. We have one assistant general manager on the administrative complex, Mr. Prevy who is here. That is financial, because the Commission as a utility is very much weighted in that; then, obviously, an Assistant General Manager, Operations, to run the operating set and an Assistant General Manager, Technical Services. The planning group is under him, and we have engineering, that is the day-to-day maintenance, construction of plant and long-range planning. Those two elements are under that assistant general manager.

Mr. Borrie: I see. At the present time planning and development is being handled by the Department, is it not?

Mr. MacDonald: No, no, by the Commission.

Mr. Borrie: By the Commission.

Mr. MacDonald: However, there is close liaison with the development branch of the Department, who are very heavily involved in other incentives with the mining industry and other users, so that we get a complete input of what is going on. Mr. Humphrys and his officers work very closely with the directors in our Department as well to see that there is this kind of cross-feed.

Mr. Borrie: Thank you.

Mr. MacDonald: But it also involves technological development with which, of course, the Commission itself is solely concerned.

Mr. Borrie: Thank you, Mr. Chairman:

The Chairman: Mr. Cullen?

Mr. Cullen: You mentioned, and I probably should have followed this up with a supplementary, that when the native population is used in these occupations some of them go off on their hunting and fishing trips and then come back, and there is very little disturbance. Do you find as a result of the Commission's employing Eskimos that it has a tendency to curb these nomadic tendencies? Does it cut down and make them become more community minded?

Mr. MacDonald: Yes, if I may just speak to that point, because a great deal is said here on this subject which is rather damaging to the prospects of employment of Indian and Eskimo people and which is not really sustained when you examine it.

First of all any extreme tendencies in this regard can be ameliorated to a degree by good counselling and discussion with the Indian and Eskimo people as they look at the range of choices facing them. We have found, and other employers who have tried to take some time to talk to the Indian and Eskimo people have found, that this sort of thing can be worked out. Taking the whole broad thing with a little bit of give-and-take on the part of the employer, the effect on the operations is really quite negligible. We have seen this startlingly illustrated in the attitudes of senior and on-line management. If all of the adjustments are expected of the Indians or the Eskimos, sometimes the results are very disastrous and employers have a great number of examples they can point to as proving

their point of view. However, if some effort is made to adjust, in the manner I have indicated, to the Indian point of view, the results are really quite startlingly the other way. This has been our experience and it has been the experience of other employers in the North. For example the Pine Point Railway is almost entirely run by Eskimo people, and run very, very efficiently.

Other areas of employment we have found have had much success—I will not mention them because we are working with these companies—with the work of senior management in recognizing the importance of getting that message down through their line operators. They bring someone up from southern Canada in a straw boss sort of context and he looks at a certain job; he has a job to do and is apt to demand all the adjustment from the people he is looking at.

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We are persuading management to work through their people. We are prepared to offer training and counselling for managers in this field, as well as to the native people. I think it is beginning to achieve some success and generally we are writing into our resource development agreements conditions with respect to the employment of native people.

Mr. Nielsen: Mr. Chairman, I think it is always well to relate the theory to the fact. I wonder if the Deputy Minister could tell the Committee how many native Indian people are employed in the NCPC operations in Dawson city, in Mayo and in Whitehorse, which are the only three operations of the Corporation in the Yukon.

Mr. MacDonald: I gave some figures. I am speaking now of Indian people. I cannot break them out in the manner you have indicated, but earlier I did give the Committee the figure of 27 Indian and 24 Metis.

Mr. Nielsen: I got those figures, Mr. Chairman. I suggest to the Deputy Minister that there are no native Indian people working in any of the Yukon plants.

Mr. Humphrys: I do not think that is correct. I think there is one, but I would have to check this out.

Mr. Nielsen: How many years has the Corporation been operating in the Yukon?

Mr. Humphrys: In Whitehorse it has been operating for 10 years.

Mr. Nielsen: In Mayo?

Mr. Humphrys: In Mayo for about 14—1952, 16 years.

Mr. Nielsen: And in Dawson just two years.

Mr. Humphrys: Dawson just two years yes. One of the factors is that we have tried to hire local people if they are available.

Mr. Nielsen: Something is wrong with the training program.

The Chairman: I have a supplementary to Mr. Nielsen's question. Just taking the three places which Mr. Nielsen has mentioned, how many skilled positions are there in these three towns, and how many unskilled positions would there be available with your Commission?

Mr. Humphrys: There would be approximately ten positions in Whitehorse, seven in Mayo, and about seven in Dawson. Of these, all but two in Whitehorse would be classed as skilled positions. To the greatest extent the others would be labouring type work.

The Chairman: There is no reason then basically why initially all of the unskilled positions should not be filled by Indian people.

Mr. Humphrys: They could be filled by Indian people if they were available to do the work.

Mr. MacDonald: If we can attract them to the work. We have set a policy recently in the federal government of working to 75 per cent occupancy of all of these jobs, both skilled and semi-skilled, by 1977; that is what we are trying to do.

The Chairman: Is there a conscious effort being made on the part of your Commission now, quite apart from the efforts that are being made by the Department generally, to search out employees who are Indian or Eskimo so that they might be absorbed into your staff?

Mr. Humphrys: Absolutely, in the localities where they are available. However, we are not in the position of being able to transfer an Indian from one locality to another. At least if we can hire a native man, a Metis in Norman Wells, for instance, we prefer to do

that to hiring an Eskimo in Coppermine and transferring him down to Norman Wells because there is the cost of moving, the matter of accommodation and so forth. There may be a surplus of Eskimo availability in one locality, but we cannot hire them just because we have a vacancy somewhere in Fort Smith or in Yellowknife.

Mr. Nielsen: And why not? Surely the other government departments move people all over the North.

Mr. Humphrys: It is a matter of accommodation.

Mr. Nielsen: If the employee is willing to go.

Mr. Humphrys: If he is willing to go, we would just as soon hire him if he is willing to go, and if there is accommodation for him; but in many instances there is no accommodation to move a man and only dislocates him.

Mr. Nielsen: The government builds houses for its employees in the North.

Mr. Humphrys: The Northern Canada Power Commission tries to operate at as low a cost as possible, and if we can hire people locally we do not want to get into the overhead of housing and so forth, if we can hire local staff.

Mr. Orlikow: Mr. Chairman, as I understand it one of the big problems in the North is the constant movement. People come from southern Canada, if you can call it that, to the North. They stay a year or two if the various departments are lucky and then they leave. It has nothing to do with you, but I am told the turnover of teachers is fantastic; it is musical chairs played at a very quick rate. If that is true, somebody is finding accommodation for these people. Surely it is just as easy to find accommodation for an Eskimo or an Indian moving from one town to another as it is to find accommodation for people coming from Winnipeg or Ottawa or Toronto.

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Mr. MacDonald: I must draw your attention to the statute under which the Commission operates, which requires that it be self-sustaining in each of the individual plants. Teaching is not a comparable exercise. In the appropriations of the Department, we build houses. It has been a very costly exercise, and the accounts of the Commission as they are now established by statute just do not allow for that kind of elasticity.

Mr. Orlikow: Mr. Chairman, maybe I should have made it a little clearer than I did. I am not blaming your organization. It just seems to me that, aside from the humanitarian point of view, it is poor business for the government to continue to pay welfare to people in the North or anywhere else—to Eskimo, Indian or Metis people—if by the expenditure of some money for transportation or housing—I do not mean by your organization; I am not concerned about that—they can get permanent work and keep themselves. I think this is something the Department should be looking into.

The Chairman: A further supplementay on this. Is it not correct that in these three locations in the Yukon there is a substantial Indian population within which most of the adults at least are unemployed? Do you not think it would be reasonable that there should be some adult male Indians of employable age available for these sorts of position?

Mr. Humphrys: There are always some. We have had one or two—they have come and gone. It is a matter of education. As I said, there are certain degrees still. We have had one chap that I can think of in Whitehorse who went through the school system and was on our staff. He was located in Whitehorse and has been transferred to Mayo at present. Certainly, if there are local people available we are more than happy to employ them.

The Chairman: But have instructions been given to your people on site that when an Indian is hired some consideration be given to the initially higher rate of absenteeism than you would normally expect in these circumstances?

Mr. Humphrys: Oh, absolutely, yes.

The Chairman: These instructions have been given?

Mr. Humphrys: They have been instructed to work with these people and to realize that possibly they have an absentee problem. They are not discharged simply because they do not turn up for one shift. But this is a factor that has to be recognized in some of the small communities and small operations where we have a total staff complement of five men or four men sometimes, and if an operator does not show up, then you are in real difficulties. It is different if you are employing 25 or 30 people and one man does not come up; then

you can ride this out. But we do nevertheless try to use these people and cover them off where we can.

The Chairman: How reasonable would a system be that, instead of hiring one person for an available position, would hire two or have two available on the understanding that one would have to show up on a given morning, regardless of weather? Would this be reasonable?

Mr. Humphrys: I do not think it would be a practical thing, particularly on operating power plants. By and large, operating power plants, particularly hydro plants which we have at Whitehorse and Mayo, is an extremely boring operation; most of the time there is nothing for them to do, and it is difficult enough to keep up the interest of one man, let alone two where one is a cover-off. Coupled with this, you have the doubling up on the operating costs which is something that we have not any licence to do really. We cannot hire two men when one will do.

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Mr. Nielsen: On a question of privilege, Mr. Chairman. I do not think Mr. Humphrys has been around continuously enough in these communities to know where the places are to do things.

Mr. MacDonald: I think, Mr. Humphrys, that Mr. Nielsen was referring to a power plant.

Mr. Nielsen: There is not that lack of activities in the communities. All these plants are in the communities.

Mr. MacDonald: No, I think he is talking about on the job. He was not talking about the community at all.

Mr. Nielsen: Mr. Chairman, a supplementary. Did I understand that there was implicit in the reply given to one of Mr. Orlikow's questions that the corporation has discontinued its policy of building homes for employees?

Mr. Humphrys: I would not say it has discontinued its policy. Its policy has been to build as few homes as possible.

Mr. Nielsen: It is still a policy of the corporation to build homes for its employees where required?

Mr. Humphrys: Where required. If there is no other way of getting accommodation, it is forced to do this, yes.

The Chairman: Mr. Nielsen, are you finished?

Mr. Nielsen: Mr. Chairman, I have quite a number of other questions, but I have been purposely holding back here. I am sure Committee members, as well as yourself, will appreciate the fact that my riding is one that is particularly concerned about the operations of this corporation, unlike most other constituencies and of necessity I will be of some length in my questioning and I would like to hold back so that it can be given some continuity.

The Chairman: Mr. Nielsen, we will try and finish off all the other questions in the next 10 minutes and then give you 10 or 15 minutes. Will that be all right?

Mr. Nielsen: I am sure I will not be through in 10 minutes.

The Chairman: We will give you as much time as you want, then. Mr. O'Connell?

Mr. O'Connell: I am going to have the same problem as Mr. Nielsen. I have quite a few questions to ask one at this point, I am looking at the composition of the Commission. There is a Chairman, who is the Deputy Minister of the Indian Affairs and Northern Development Department; there is Mr. J. F. Parkinson, who I believe is with the Department of Finance; and Mr. Patterson I do not know.

Mr. MacDonald: He was a former member of our Department, a director when the Water Resources Branch was a part of the Department. He continued on when he was transferred to Energy, Mines and Resources because of his long experience and background in this field.

Mr. O'Connell: So there are three members, senior persons in three federal government departments. What I am wondering about, with a view to having an input from those people in the North who have development objectives in mind, is whether it would not make a lot of sense to have each of the two territorial councils name one member to this Commission so that some of these questions we are asking here now could be put much more directly to the Commission, from those who are right in the environment.

Secondly—and I am basing this suggestion, I suppose it is, on the steps taken recently by the Saskatchewan Power Commission when it did appoint an Indian to the Commission—it

would seem to me that, in view of the Department's policy of expanding Indian employment and in view of the fact that the statute gives the Commission a great deal of power to change the course of rivers, to dam them, to flood waters, in other words, to affect the environment out of which the native people made a traditional living, an Indian person named to the Commission would make a good deal of sense.

I would like to suggest, Mr. Chairman, that this Committee take a look at the composition of the Commission with a view to perhaps suggesting some changes. I do not know whether there would be appeals from the territorial councils for this kind of change. I would say the fact that Section 10 has remained so long unchanged perhaps reflects the absence of territorial voices and the difficulties that public servants would have in suggesting these kinds of change.

The Chairman: I think your suggestions are excellent, Mr. O'Connell, and I will undertake to have your suggestions discussed in the steering committee, and perhaps formulate some recommendations along with the earlier one.

Mr. O'Connell: I am prepared to take turns with Mr. Nielsen if he wants to. I have a very small technical question, and it relates to the surpulses that are accumulated around any particular plant. May those surpluses be used for plant extension, only for that plant, or are they available to the Commission?

Mr. Humphrys: Only for that plant.

Mr. O'Connell: I do not know if you want to come in, Mr. Nielsen, but I have a whole series of questions with respect to Inuvik and the utilidor which I would like to get in. I think they are important, no only from the—well, partly from the social side. If there are others who want to ask questions before I get into this I will be pleased to step aside.

The Chairman: Do you have any further questions? Mr. Simpson.

Mr. Simpson: Could we have some brief explanation of the obligations of the Commission for water systems in the communities they are servicing? I should particularly like to know to what extent water is available to the residents of these communities, to the native population, and in what communities this would apply.

Mr. Humphrys: The concept of the Commission did not envisage its supplying water. Granted the Act now empowers it to operate water systems, the only one that the Commission operates as a Commission venture, not entirely a self-suporting operation, is at Inuvik. In other places where the Commission is involved in hot water operations it operates them on behalf of the Department on a contract basis—either the Department or the territorial government—and actually the Commission's responsibility is as an operating contract and does this because it is convenient to use the personnel involved with the object of minimizing the cost of utilities.

Mr. Simpson: I can ask our Chairman, then, if it would be in order to assume that question could be followed up later with officials of the Department when we are dealing with it.

Mr. Orlikow: May I ask one more question, Mr. Chairman?

The Chairman: I think, Mr. Orlikow, if you do not mind, Mr. Durante has been waiting for some time. He has not asked a single question.

Mr. Simpson: I have one brief question and possibly this can be answered only by the local force; I do not know, I am not saying that the officials here cannot answer it. I am quite interested in knowing to what extent the Commission, in supplying power to the local people and particularly the native people, have had occasion to discontinue this service by reason of lack of payment of accounts. Is this prevalent or is it practically nonexistent?

Mr. Humphrys: I would not say it is prevalent. There have been some instances of it but it is not a big factor. In many instances these become welfare cases and then their power accounts are paid by welfare. I think most of the problems we have had are not with natives and their inability to pay; they are with people who are consciously trying to avoid paying. Perhaps in some cases they have been immigrants, you might say, who have come in from outside and have moved out somewhere else, but collections in all these places are a problem. We have to go out and get the money but I would not say that the problem of collecting from the local natives is any more severe than it is with anybody else, and we have had very few disconnects for that reason.

Mr. Durante: Mr. Chairman, I should like to revert for a moment, if I may, to that aspect of this morning's discussion of particular interest to me, and I refer to the employment of natives by the Commission. Am I correct in assuming that it is the policy of the Commission to employ natives, so far as possible, to fill either skilled or unskilled positions?

Mr. MacDonald: Yes.

Mr. Durante: If that is true and from what has been stated this morning, that of the 24 positions in total in the three centres in the Yukon Territory we have only one native employed at present, may I also assume that many other natives have been discharged who, at one time or other, were in the employ of the Commission?

Mr. Humphrys: There have been a few discharges, but very, very few; discharges because of drunkenness or simply a lack of ability or willingness to work after frequent warnings and efforts to bring them on. Any dicharges we have had, I think are almost entirely associated with extreme drunkenness and inability to function.

Mr. Durante: I think you have answered my next question. We have heard it stated many times before that if we are going to have the natives adjust, we too must make some efforts in this direction and I wanted to know on what basis these natives were discharged. Are you really making a sincere effort to change your thinking as the employer and becoming a little more susceptible to the behaviour patterns of these people than you would with other employees?

• 1235

Mr. Humphrys: I think there is no doubt that we do make a very extensive effort to keep these people on staff and it is only after repeated difficulties that we take the drastic step of discharging people for this reason so far as our own Commission operations are concerned.

Mr. Durante: Then is the reason you have only one native at present employed in the Yukon that they just do not want to work?

Mr. Humphrys: I would not say that they do not want to work, but apparently they do not want to work for us or they have not been available at the time we required them. Bear in mind that when we started up a hydro plant in Whitehorse, we were displacing the operation of diesel plant and we staffed this hydro plant with the skilled people that were employed by this large Department of National Defence diesel plant and this was the nucleus of the staff for that plant.

I can think at the moment of one native Indian chap who has gone through the educational system and he was hired and put on our staff, and he went out for further training and he came back. At Mayo, when we started our operation there in 1950, we only had a staff of three and there was no native population available that we could hire to operate that plant. They had to be skilled to the extent of being able to handle electrical facilities, and so forth. At Dawson, when we took over the operation there, we staffed it entirely with the people that were working for the previous owners in Dawson. If we had discharged them there would have been no jobs for them. It was entirely a transfer of people from the operation there to our staff.

Mr. Durante: I have a final question, Mr. Chairman. You stated that they do not want to work for the Commission. Why? Is it possibly because of the attitude of the Commission towards these people?

Mr. Humphrys: I would not think so. I think they are more interested in other types of work such as carpentry and truck driving, and so forth. As I say, whenever we need staff we try to get them locally, but if there is nobody available then we have to hire somebody. I cannot say whether they really want to work for us or not. All I am saying is that it has not been an easy thing; it has not been a case of turning down local people.

We go to the manpower centre for employees and in other places such as Frobisher Bay or where there is no manpower centre we deal with the departmental employment people or training people as our first source for employees.

Mr. Durante: Thank you, Mr. Chairman.

Mr. MacDonald: If I may just add something here, Mr. Chairman, we have been trying to get the Manpower Department to come into the North to get at this problem of finding the people and putting them and the jobs together.

The Chairman: A supplementary question from Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I am very much interested in the

line of questioning pursued by the hon. gentleman. I just wondered, just after one particular section here after the Northern Canada Power Commission, but the total picture is much larger than this. There are other people who must employ Indians as well and I wonder whether, Mr. MacDonald, later on the Minister's statement might give a pretty comprehensive picture of the employment situation of the native people in the North, the potential manpower available and really the major direction in which the people are going.

The Chairman: Do you have a supplementary, Mr. Orlikow, or is it a different question?

Mr. Orlikow: It is not really a supplementary. Mr. MacDonald was speaking earlier about the possibilities for large-scale development of mines, and so on. When that comes it undoubtedly will lead to development of power through hydro-electric projects, and so on. The experience in other places—I am thinking of the experience at Thompson—was that this made tremendous changes in the way water moved and very often—at Thompson, for example—after the project was nearly completed it was found that they had to move a large number of Indians from areas where they had lived for probably a hundred years. They were not consulted in advance. I am wondering what processes, if any, you have for consultation with the native people before these big changes are made?

Mr. MacDonald: Any time there is a water development, and particularly a hydro development, it brings very agonizing problems to the whole society. I can think of other interests that are affected such as wild life, and this Department of which I am now Deputy Minister has been involved in a number of them. I know of no formal processes that exist for these situations because they are very ad hoc. We do not know when the next large-scale hydro development may arise. There is one possibility in the Yukon that is presently under discussion. It is somewhat of a long-range thing. I think if and when the governments concerned decide this appears to be a desirable development, they will have to set up some special means for hearing all the points of view. This concerns the whole problem of water development; what is indeed the optimum use? Should it be left undisturbed; should the economic benefits be derived; can you compromise with them.

• 1240

Mr. Orlikow: I have not suggested there is any simple answer. You have indicated the difficulties. I am concerned about making sure in some way—I do not think we can spell it out in detail—that the interests of the people there are protected, or if they cannot be protected in the way they have always been that there be some compensation.

For example—and this is a different thing but it is the same kind of affair—obviously when we signed the convention with the United States for the protection of wildlife we did not think about the treaty we had signed with the Indians which gave them the right to hunt and fish. They now find to their chagrin—that is putting it mildly—that the convention is more legally binding than their treaty. That is a rather serious thing.

Mr. MacDonald: I think, Mr. Orlikow, that undoubtedly in today's atmosphere any hydro project is going to be looked at rather carefully from this point of view. I do not know what procedure the government might adopt to do this but I am sure they will adopt something.

The Chairman: I have a few questions that I would now like to ask Mr. Humphrys.

How many people are without electricity in the areas serviced by your facilities? Did you ever analyse this?

Mr. Humphrys: No. There are not very many.

The Chairman: Is it not normal for a commission to determine what its potential market is? Do you not have your own analysis of the number of residences that are unserviced by electricity?

Mr. Humphrys: No, not in these small communities. They are essentially completely covered, although there may be a number of shacks and places that have not made an application for service. They are not wired and they just do not want power. However, I have no figures on that.

The Chairman: You say, and I agree with you, that there are undoubtedly areas in each of the towns or villages you service where there are a few homes without electricity. Is any effort made by your people to go out and say, "Would you like to have electricity installed?

Mr. Humphrys: No, we do not have to go to them, they come to us when they need power. There is not that kind of a demand. We do not have to go out and sell it at all.

Mr. Orlikow: Mr. Chairman, may I interject and ask another supplementary. Do you know or could you find out before we meet this time next year if there are people who are not being supplied with power, and if so how many, if any, are white people living in the communities and how many, if any, are native people, either Indian or Eskimo? That may not be a very important business question but I think it is a very important social question.

The Chairman: It is a question you are going to be asked by this Committee next year, I can assure you of that.

Mr. MacDonald: I touched on this point when I spoke about the social problems which I think are beyond the purview of this Commission and are more properly the responsibility of the Minister and of the government. I do not think it would really be fair, either in my capacity as Chairman of the Commission or in Mr. Humphrys', to talk about whether or not, for example, there ought to be a subsidy on electric power.

Mr. Orlikow: I am sorry, Mr. MacDonald, but that is not really what we are asking. We would like to know how many potential customers there are. I would assume that anyone living in a community where there is some kind of power system is a potential customer. How many homes—I do not care whether they are well-built or they are wooden shacks or tents—are not being served? If we knew that we then might ask the Minister and the Department why this is so.

• 1245

Mr. MacDonald: We may have some figures for you on that.

The Chairman: I have another question. I am told that these Alaska oil discoveries will perhaps result in a pipeline running either down through the Yukon or the Northwest Territories into British Columbia, or through Alberta into the United States. If this is the case, do you people have any plans at the moment to make special arrangements so that oil can be obtained more cheaply for your diesel units? Is there any thinking along these lines?

Mr. MacDonald: The whole question of whether the availability of oil in the north could—in terms of energy sources and particularly the associated gas—transform many of the economic situations that we presently have is under very active review. I cannot confirm at this time that there will indeed be a pipeline running down. This is a matter that we are looking at and a variety of suggestions and points of view have been offered. We would be hopeful, although we do not have the information yet to so demonstrate, that a pipeline down the Mackenzie valley would be the most economical way for the crude oil to get to a continental market. On the other hand, the United States may take into account other considerations, even if the economics of it—which are as yet unproven—were demonstrated. It is an objective fact that if new oil supplies and associated gas discoveries become available in the Delta, which is a very real possibility in Canada, it will transform the economy of the North to an even greater degree.

The Chairman: Thank you. Mr. O'Connell and Mr. Nielsen.

Mr. O'Connell: If I may, I would like to spend a few moments on the supply of heat, water and sewage facilities in Inuvik through the utilidor system. I notice in the report that a 3,500 foot extension was just completed, and I will ask some questions in separated order so they will not get too heavy.

Could you give an indication of the cost per foot of that extension as compared with the previous...

Mr. Humphrys: It is of the order of $1 million for the extension that was constructed.

Mr. O'Connell: How did you finance that?

Mr. Humphrys: It was financed by a government grant or loan, an interest-free loan to the Commission.

Mr. O'Connell: Yes. I notice under assets in your financial statement that you have the central heating, water, sewage and fire-alarm system in Inuvik set at about $7,400,000. That comes about after you have taken depreciation on other units. Do you not depreciate this, or is it an appropriation from Parliament?

Mr. Humphrys: It was a Parliamentary appropriation. That was the amount of money that was invested in it but it is not treated as a Commission asset as such.

Mr. MacDonald: We are really the trustees or custodians of this facility—the operators—rather than the principals.

Mr. Humphrys: That is right.

Mr. O'Connell: Then you did not finance it through a loan or an advance?

Mr. Humphrys: In the first instance it was an advance, but it was subsequently discharged by Parliamentary appropriation.

Mr. O'Connell: What I am getting at is that some of your utilities have been provided at virtually no cost to the Commission.

Mr. Humphrys: The capital cost of the Inuvik utilidor system, which includes the heating and the water system and the sewage facilities, was provided by the federal government and no effort is being made to recover capital charges from the users—the users being the federal government almost entirely.

Mr. O'Connell: Yes. In effect, then, one of your main utilities is provided to the Commission without cost and presumably the user charges would be lower for that reason.

Mr. Humphrys: Yes, they are lower than—

• 1250

Mr. O'Connell: If you had to repay principal and interest. Yet what one finds in Inuvik—and I was there a couple of years ago—is that the government has provided itself with these facilities, but the distressing thing about the town, as I am sure you are all very well aware, is that there is this unserviced area where the utilidor does not go through and this coincides largely with the native sector of the town. Perhaps this is not a question for your Commission, but I want to draw to the attention of the Committee that here we have a publicly-supplied system of water, sewage and heat that really goes to service government installations and it is not available to the people in that town. Also when the extension was provided were facilities made available to the native sector, if I can call it that, or the unserviced sector? Is there a further report on this statement which appears on page 2:

> Design studies were carried out in connection with a proposal to provide water and sewerage services only (without central heating facilities as are included in the standard utilidor arrangement) to a portion of the heretofore "unserviced" area within the townsite...

Could we have a report on the provision of services to the unserviced area?

Mr. Humphrys: This extension was primarily constructed to supply a new school and a number of federally-owned, Department of Public Works houses. In so doing it extended water and sewer services into the northern portion of the unserviced area. This made it possible to consider running a water and sewer line through the core of the unserviced area. Subsequently a design was developed and a water line and a sewer line was constructed. The sewer line actually has a double purpose; it acts as a sewer line to service the unserviced area and it is also the main sewer outfall for the extension. However, a water line has been built parallel to that which extends from the utilidor right down to the bottom end of the unserviced area, which will provide water service to those lots that can be readily serviced from it. Now, this does not cover the entire unserviced area but it is the beginning of getting into that area.

Mr. O'Connell: Will that extension to the unserviced area be on a self-sustaining level?

Mr. Humphrys: Yes, sir. It is financed by the territorial government. As to the recovery of costs for this service , it is up to the territorial government to set the rates at which they will supply water and sewer service to the consumers that might connect to it.

Mr. O'Connell: I would like to continue just for a moment. I think the principle is established, therefore, with the Power Commission that when it is convenient to the government it has made a power utility available without cost to the Commission. I think this goes some distance in giving us some basis for suggesting that where there are unserviced people in some communities that there is a possibility of extending services to those persons without cost to the Commission, since it is happening in Inuvik. Do I have the story straight?

Mr. Humphrys: Yes, that is right, without cost to the Commission. To take a specific case, the power aspect of Inuvik is run on a self-sustaining, self-liquidating basis as a normal Commission operation.

Mr. O'Connell: The power aspect.

Mr. Humphrys: But not the water and sewer. The capital costs of these facilities have been made available to the Commission, shall we say, or, as Mr. MacDonald has said, the Commission is really the custodian of these

facilities and does the operating. However, it does not actually own them in its own right.

Mr. O'Connell: Therefore the determination of where the service ought to apply and who should get it is really not a decision that is made by the Commission.

Mr. Humphrys: That is right.

Mr. MacDonald: In this case we merely act as agents.

Mr. O'Connell: Yes. That is all the more reason, then, for representation by the territorial councils.

Mr. MacDonald: I do not think I would like that to follow from any assent on my part—

Mr. O'Connell: All right.

Mr. MacDonald: —because there is this small matter of who puts up the money.

Mr. O'Connell: I will not insist on the point.

Mr. MacDonald: And it happens to be the federal government.

Mr. O'Connell: Could you tell me in connection with this whether there are other instances where the Commission wholesales its utilities to a community like Whitehorse or to the public, or a local government—put it that way—such as Inuvik, Yellowknife, and so on? Do you wholesale power to a local incorporated community?

Mr. Humphrys: No, not to any local incorporated communities. We wholesale power to some private companies for distribution but not to any municipal or publicly-owned bodies.

Mr. MacDonald: To clarify, in Whitehorse we wholesale to the Yukon Electric Company who distribute.

Mr. O'Connell: This enables it to charge those rates which it wishes to. Is there anything in your Act which prohibits your wholesaling power, say to Inuvik?

Mr. Humphrys: To the town of Inuvik?

Mr. O'Connell: Yes.

• 1255

Mr. Humphrys: There is nothing to prevent our doing it; no.

Mr. Nielsen: While we are on this it might be well to straighten out a misunderstanding that perhaps my friend has with respect to Yukon Electric charging those rates which it wishes. I think Mr. Humphrys and the Deputy Minister are familiar with the fact that franchises are held by Yukon Electric and the rates therein are controlled by the Council of the Yukon Territories.

Mr. Humphrys: Yes.

The Chairman: Mr. O'Connell, does that complete your questions?

Mr. O'Connell: I should just like to ask, in connection with the utilidor again, whether the gentlemen could give us any idea of how many native persons in Inuvik draw services through the utilidor at present?

Mr. Humphrys: I do not think there are any native persons that can be said to be supplied services from the utilidor directly when you talk about heat, water and sewer. They do get water service by virtue of water having been made available at certain standpipes and so on, or occupants of houses that are connected to it.

Mr. O'Connell: Then there may be occupants of what is called here federal housing who are natives.

Mr. Humphrys: There could be. I have no figures on that.

Mr. O'Connell: I do not suppose this is a question you can answer, but are you aware whether any of the federal housing is what we call in Ontario public housing; that is, where rents are related to wages or income?

Mr. MacDonald: That, Mr. O'Connell, is a matter which the territorial government has under consideration with us. The whole field of public housing is one which has to be covered and I think we will have proposals in that respect.

The Chairman: I think we are getting a little bit of the track.

Mr. Nielsen: I see it is three minutes to one.

The Chairman: Mr. Nielsen, I am prepared to ask the Committee to sit until 1.30 p.m. so that we can go through your questions because I think you realize, along with everyone else here, that we have the Transportation Commission coming up on Thursday and I think it would be very desirable if we could get through this item today.

Mr. Nielsen: Both Mr. Simpson and I are due at another meeting at 12.30 p.m. and we purposely stayed over until 1 o'clock so that we would not destroy your quorum. We are a half hour late now. What I was going to do was simply to indicate to Mr. Humphrys one specific area on which I would be questioning when he appears next before the Committee so that he would be well prepared to answer the questions without delay or need to go back for information. I am afraid that Mr. Simpson and I will have to go; this is something we cannot avoid.

The Chairman: Then we will start off with your questions on Thursday morning with the Power Commission.

Mr. Nielsen: Thank you. May I then just indicate to Mr. Humphrys that I will be asking specific questions on the Dawson power situation, specifically the cost of acquisition of YCPC facility by NCPC and the cost of the power produced both domestically and commercially; the cost of the acquisition of the water system and the method of administration of the water and sewer systems with a breakdown of the cost of the plant at Dawson that was constructed by NCPC; the cost of the operation of that plant broken down into overhead in terms of bulk salaries to employees and other overhead, projecting these costs in terms of consumer rates for two or three years in the future.

The general nature of that kind of question I want also to ask with respect to the Mayo installation and the Whitehorse installation and, intending no hostility at all, I intend to ask some questions with respect to the philosophy of NCPC continuing in the Yukon in competition with private enterprise with the prospective objective, at any rate, of completely usurping private enterprise and assuming full control over the supplying of the utility of power throughout the Yukon.

I thought it would be fair to give you ample warning of these matters because some of them bear on different philosophies that personnel of NCPC and the Department may have and my own, and also to give an opportunity to dig up specific facts so that we can have an intelligent discussion of it.

The Chairman: We may have to sit Thursday evening if we find we are taking too long after the Transportation Commission on Thursday. We should be able to get through with your questioning in about half an hour.

• 1300

Mr. Nielsen: I think I can be brief enough; I shall try to be.

The Chairman: That is fine.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament
1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS

and NORTHERN DEVELOPMENT

OF

PROCEEDINGS AND EVIDENCE

MINUTES OF PROCEEDINGS AND EVIDENCE

TUESDAY, NOVEMBER 1, 1968

WITNESSES:

From the Northern Power Commission: Mr. J. A. MacDonald, Chairman; Mr. E. W. Humphrys, General Manager and Chief Engineer; Mr. J. Prevey, Assistant General Manager; Mr. T. Stott, Treasurer and Mr. W. D. Mills, Secretary.

From the Northern Transportation Company Limited: Mr. W. G. Christ, President; Mr. R. C. Howell, Secretary and Mr. W. J. Wright, General Manager.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

2018—1

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament
1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, NOVEMBER 7, 1968

WITNESSES:

From the Northern Power Commission: Mr. J. A. MacDonald, Chairman; Mr. E. W. Humphrys, General Manager and Chief Engineer; Mr. C. Prevey, Assistant General Manager; Mr. T. Stott, Treasurer and Mr. W. D. Mills, Secretary.

From the Northern Transportation Company Limited: Mr. W. M. Gilchrist, President; Mr. R. C. Powell, Secretary and Mr. W. B. Hunter, General Manager.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29115—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Duquet	Nielsen,
Borrie,	[1] Howard (*Skeena*),	O'Connell,
Buchanan,	Laprise,	Orlikow,
Cullen,	Marchand (*Kamloops-*	Simpson,
Dinsdale,	*Cariboo*),	Smerchanski,
Durante,	McKinley,	Southam,
		Yewchuk—(20)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Peters on November 6, 1968.

ORDER OF REFERENCE

WEDNESDAY, November 6, 1968.

Odered,—That the name of Mr. Howard (Skeena) be substituted for that of Mr. Peters on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29115—1½

MINUTES OF PROCEEDINGS

THURSDAY, November 7, 1968.
(3)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:10 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Buchanan, Cullen, Dinsdale, Duquet, Durante, Laprise, Marchand (*Kamloops-Cariboo*), McKinley, Nielsen, O'Connell, Orlikow, Simpson, Smerchanski, Southam, St. Pierre, Watson, Yewchuk—(17).

Also present: Messrs. Orange and Peters.

In attendance: From the Northern Canada Power Commission: Messrs. J. A. MacDonald, Chairman; E. W. Humphrys, General Manager and Chief Engineer; C. Prevey, Assistant General Manager—Administration and Finance; T. Stott, Treasurer; W. D. Mills, Secretary. *From the Northern Transportation Company Ltd.*: Messrs. W. M. Gilchrist, President; R. C. Powell, Secretary; W. B. Hunter, General Manager.

The Committee resumed the questioning of the officials from the Northern Canada Power Commission.

During questioning, on motion of Mr. Nielsen, it was

Agreed,—That the following papers be made appendices to the Minutes of Proceedings and Evidence of this day's meeting. The following are:

(i) Comparison of revenue and fuel costs for the year 1965-66. (*See Appendix "B"*).

(ii) Rate comparison of residential and commercial small diesel plants at some northern communities. (*See Appendix "C"*) .

(iii) Monthly rate schedules at Fort Simpson, Fort Smith, Yellowknife. and Hay River. (*See Appendix "D"*).

(iv) Comparison of Hay River rates with other northern communities. (*See Appendix "E"*).

(v) Comparison of some Yukon Electric rates and Northern Canada Power Commission rates in Dawson City. (*See Appendix "F"*).

Later, on motion of Mr. O'Connell, it was

Agreed,—That Item L-65 relating to the Northern Canada Power Commission be allowed to stand and that the officials be recalled at a later date with detailed answers to some of the questions asked.

The witnesses from the Northern Canada Power Commission were excused and the Chairman called Item L-70 of the Revised Estimates relating to the Northern Transportation Company Ltd. The Chairman introduced the witnesses.

On motion of Mr. Marchand (*Kamloops-Cariboo*), it was

Agreed,—That the brief, Memorandum of Northern Transportation Company Ltd., submitted to the Committee be printed as an appendix to the Minutes of Proceedings and Evidence of this day's meeting. (*See Appendix "G"*).

Mr. Gilchrist made a short statement summarizing the brief submitted, and he and his officials were questioned by the Committee.

On motion of Mr. Simpson, it was

Agreed,—That Item L-70 relating to the Northern Transportation Company Ltd. be allowed to stand.

The Chairman thanked the witnesses and they were excused.

On motion of Mr. Marchand (*Kamloops-Cariboo*), it was

Agreed,—That the Committee adjourn.

At 1:30 p.m., the Chairman adjourned the meeting until Thursday, November 14, 1968.

Michael B. Kirby,

Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 7, 1968

• 1110

The Chairman: Gentlemen, I see a quorum. Mr. Nielsen asked a number of questions at the close of the meeting on Tuesday, and I understand that Mr. Humphrys or Mr. MacDonald have some of the answers ready now.

Mr. Nielsen: Mr. Chairman, I did not ask a question, I simply gave notice of the kind of information that I would be seeking so that Mr. Humphrys and Mr. MacDonald would be prepared to provide the answers.

The Chairman: Would you like to start then with your questions?

Mr. Nielsen: Thank you, Mr. Chairman. Before I start putting my questions, I might say that they might at times sound hostile...

[*Interpretation*]

Mr. Laprise: Mr. Chairman, perhaps the gentleman could elaborate?

[*English*]

Mr. Nielsen: ...but that certainly will not be my intention. Because of the fact that the Northern Canada Power Commission, apart from its operations in the Northwest Territories, has three rather important installations in the Yukon and because of the emerging economy of the Yukon it becomes extremely important to us there to obtain this factual information—because NCPC there, unlike the Northwest Territories, is operating as a competitor, as it were, with private enterprise, and of course the future of that private power supplier and of NCPC is deserving of consideration with respect to the jurisdiction which each should have in the economic future of the Yukon.

Before putting the first specific question I wonder if I might ask whether there is any significance attached to the quotation marks surrounding the general statement of authority and objectives of the NCPC on page 5 of the Annual Report. If there is some significance to those quotation marks I would like to know what it is.

The Chairman: What page is that again?

Mr. Nielsen: The pages are not numbered but it is the fifth page. It starts off:

> The Northern Canada Power Commission operates under authority of the Northern Canada Power Commission Act...

It is just one paragraph and it begins and ends with quotation marks.

Mr. E. W. Humphrys (General Manager, Chief Engineer, Northern Canada Power Development): You are quoting from a previous report?

Mr. Nielsen: From a previous report. In that preliminary statement it is set forth that the Commission

> ...shall be self-sustaining, consequently rates charged for utilities supplied must provide sufficient revenue to cover interest on investment, repayment of principal over a period of years, operating and maintenance expenses and a contingency reserve.

Would it be fair to add depreciation to that list of provisions? Would that be one of the things that rates would cover in the operation of each of these units?

Mr. Humphrys: In respect of assets acquired out of earnings. The charge for repayment of principal is considered to be the equivalent of depreciation except in respect to assets acquired out of earnings.

Mr. Nielsen: Yes. And in fact the balance sheet from time to time includes an item for depreciation, does it not?

Mr. Humphrys: That is right.

Mr. Nielsen: When the Act was first passed the general intention was to provide power where private enterprise was unable or unwilling to go in the Northwest Territories and the operation of the Act was confined to the Northwest Territories. Would that be correct?

Mr. Humphrys: When the Act was first passed it was confined to the Northwest Territories, yes.

Mr. Nielsen: Then I believe in 1948 it was amended to include the Yukon and other parts of Canada on the approval of the Governor in Council.

• 1115

Mr. Humphrys: There were two amendments. I have forgotten the actual dates but one, I think, was in 1949 which included the Yukon, and then the later amendment extended to such other parts of Canada as may be approved by the Governor in Council.

Mr. Nielsen: Is it still the outlook or the philosophy of the Department and of the Commission that NCPC should operate in these areas of Canada where private enterprise is unable or unwilling to invest in the supply of utilities?

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission): Mr. Chairman, if I may reply to that, I think that the outlook of the Commission would be subject to the direction of the Minister or the government of the day with respect to that. I do not think the Commission would, in itself, have an outlook; it would be subject to the direction of the government.

Mr. Nielsen: You know of no move afoot to separate the Chairmanship of NCPC from where it now resides—that is, with the Deputy Minister of Indian Affairs and Northern Development?

Mr. MacDonald: Well, sometimes one is the last one to know. I know of none.

Mr. Nielsen: Is Mr. Humphrys a member of the Commission?

Mr. MacDonald: No.

Mr. Nielsen: I want to refer specifically, if I might, to the statement of income and expenses for NCPC which is included as "Exhibit VI" in your Annual Report.

Along the top of the Statement of Income and Expenses are listed all of the plants that are operated by NCPC. Is that correct?

Mr. Humphrys: As of March 31 last.

Mr. Nielsen: One of the items listed under expenses is that of "Depreciation" which is the last item.

Mr. MacDonald: Mr. Chairman, I am sorry I did not get the page number.

Mr. Nielsen: In my copy it is page six in Roman numerals.

It reads "Statement of Income and Expense By Plant for the Fiscal Year Ended March 31, 1968". Under the item "Depreciation", Mr. Humphrys, there appears by the plants an allowance for depreciation for every plant except three—one at Dawson city, of which I am primarily concerned, and the others at Coppermine and Cambridge Bay. Could you explain why there has been no allowance for depreciation with respect to each of those three plants?

Mr. Humphrys: These three plants only came into operation during the last year and, you might say, their debt has not been funded. The debt is repayable as from March 31 the year following completion of the plant. The plant was not declared completed in that year so the debt charges on those plants will not appear until next year.

Mr. Nielsen: When was the acquisition of the Dawson city plant made by NCPC?

Mr. Humphrys: It was effective in October of 1966—that is when we first took it into operation. However the diesel plant was constructed in 1967 and the distribution system had not been fully completed last year.

Mr. Nielsen: Was any part of the assets of the old North Fork hydro plant and the diesel generating plant owned by Yukon Consolidated Gold Corporation until that time?

• 1120

Mr. Humphrys: The Yukon Consolidated Gold Corporation owned the North Fork hydro plant.

Mr. Nielsen: Did NCPC purchase any of the assets in connection with that plant?

Mr. Humphrys: No.

Mr. Nielsen: Did NCPC purchase any of the assets in connection with the diesel plant at Dawson city?

Mr. Humphrys: Well the diesel plant was part of the water system. There is the Dawson Electric Light Company and the Dawson Water Company, and the diesel plant that you refer to is owned by the Dawson Water Company.

Mr. Nielsen: But did the NCPC acquire any of those assets?

Mr. Humphrys: Yes.

Mr. Nielsen: And these were acquired in October of 1966?

Mr. Humphrys: Yes.

Mr. Nielsen: Normally, would not depreciation be shown, or were those assets written off entirely?

Mr. Humphrys: If they have not been they will be written off entirely as part of the purchase arrangement.

Mr. Nielsen: What was the purchase price that was paid to YCGC for the acquisiton of those assets?

Mr. Humphrys: Well, for the three companies that we purchased, the total cost was $102,000.

Mr. Nielsen: And where do I find that reflected in your statements of accounting in this Annual Report?

Mr. Humphrys: They are included in the Assets and Liabilities of the Dawson Statement, but we actually purchased the three companies, and it does appear in...

Mr. Nielsen: Would that be the statement at the top of page V(A) $213,742?

Mr. Humphrys: No, that is the cash amount. The fixed assets are in with the capital and shown under capital assets in the Commission's statement, recognizing that this is a consolidated statement of the Commission's account and subsidiary companies.

Mr. Nielsen: That is the telephone company, the water company, and the power company?

Mr. Humphrys: That is right.

Mr. Nielsen: There is shown there a figure of $395,671. What portion of that reflects the cost to NCPC of the assets purchased from Y.C.G.C.?

Mr. Humphrys: $232,694.

Mr. Nielsen: I am sorry, would you repeat that.

Mr. Humphrys: $232,694.

Mr. Nielsen: Thank you. That was in October of 1966?

Mr. Humphrys: That is right.

Mr. Nielsen: Why was that figure not depreciated in your balance sheet that intervenes between this one and the time of purchase?

Mr. Humphrys: The depreciated value is shown below at $132,000, sir. This is a matter of presentation chosen by the Auditor General.

Mr. Nielsen: On any balance sheet or statement of income and expenses, would not that figure for depreciation be shown in vi?

Mr. Humphrys: In the case of statement vi, this is purely an operating statement, and since October, 1966, these companies have been completely inoperative. Therefore, there have been no charges to operation.

Mr. Nielsen: Who was supplying power in Dawson from 1966 on?

Mr. Humphrys: Northern Canada Power Commission. It started its operation on October, 1966.

Mr. Nielsen: Why do we not see this figure?

Mr. Humphrys: Subsidiary companies were not operating, since then.

Mr. Nielsen: Well, is that not—no offence intended—splitting hairs? There were in fact assets that were depreciating. Why is it not reflected in the statement of income and expenses?

Mr. T. Stott (Treasurer, Northern Canada Power Commission): There have been no charges to operations since October, 1966.

Mr. Nielsen: Would you agree with me that there should have been?

Mr. Stott: We have had no debt retirements. We have not acquired any assets out of earnings, therefore there have been no charges for depreciation chargeable to earnings. I think that statement fits quite properly in that case, the income statement, that is, 1966.

Mr. Nielsen: I cannot reconcile that with the answer that I got a moment ago that depreciation is one of those charges which should be included in the rate structure, and it has not been in this case, in fact.

Mr. Stott: Which meant repayment of the capital debt on the Dawson operation effective 31 March, 1969.

Mr. Nielsen: So in other words, you will not be showing depreciation on that plant until your next financial statement, indeed the one following it.

• 1125

Mr. Stott: No, there will be a charge.

Mr. Nielsen: Do the answers which you have given with respect to the Dawson plant apply equally with respect to the Coppermine and Cambridge Bay plants?

Mr. Stott: The same situation applies there.

Mr. Nielsen: Another explanation that I would like to have, primarily because I am not too familiar with accounting procedures, I notice that in some instances for instance, the Coppermine plant, you have gross income of $52,643, and this balances precisely with the expenses. I find it rather odd that income and expenses should balance to the dollar.

Mr. Humphrys: This is because we have an arrangement with the Department of Northern Affairs whereby the department underwrites the operating losses on this. It is agreed that power be supplied at 12 cents a kilowatt hour to the general public and departmental requirements, and if the costs exceed the revenue receivable at that level, which we knew they would do, the department picks up the difference.

Mr. Nielsen: And does that apply with the Edmonton and Head Offices item and the contract work item as well?

Mr. Humphrys: Charges of the Edmonton office are completely charged out to other operations, so it ends up as a nil expense item.

Mr. Nielsen: Were there in fact losses on the Coppermine plant which are not shown here?

Mr. Humphrys: I would not say they were losses; there is a deficiency of revenue as compared with expense, yes. It is a subsidy operation.

Mr. MacDonald: I think we mentioned this point in the previous hearing, that in these isolated areas where the units are so small, the standard rate of 12 mills just simply does not cover expenses.

Mr. Nielsen: Well, at one time in your financial information the Commission used to show sales, and I see they are all lumped here now. They do not show sales by the plant.

Mr. MacDonald: No. It says by individual plants.

Mr. Nielsen: Sales and power, I see, yes. Well, not that I am reluctant to accept the explanation with respect to this precise balance, but it seems to me that there must have been some difference. I rather suspect that the cost of producing the power was more than is shown here, and that it has been subsidized and yet we do not know by how much it has been subsidized.

Mr. Humphrys: The extra cost to produce the power was $52,000 in the case of Coppermine.

Mr. Nielsen: The expenses are precisely the same.

Mr. Humphrys: No. The income is shown as $39,000.

Mr. Nielsen: What perplexes me is that the last horizontal column but one shows the net income for a loss on each operation, but we do not know it for Coppermine. It must have been a loss.

Mr. MacDonald: I think that is a fair point.

Mr. Nielsen: Yes, but how much?

Mr. MacDonald: We will find out and tell you.

Mr. Stott: The figure is available. The figure was filled by the Department at your end to balance the account.

Mr. MacDonald: In other words, what we are dealing with here is an abnormality in a commercial operation, but to give that information we will secure what the Department was billed for, to supply the deficiency in income. As far as the Commission is concerned, it received the income.

Mr. Nielsen: Thank you. Now, in these areas such as the Dawson Plant, the Fort Resolution Plant, and all of those where a loss is shown, is it the intention of the Commission to increase the rates, since it is their stated objective to be self-sufficient in each one of these plants?

Mr. MacDonald: It is not only our objective. We are required to be self-sufficient. It may be self-sufficient over a period of time. One has to take a reading as to what the

likely growth prospects are. In other words, I do not think we are required in any given financial period to be self-sustaining. I do not think that is defined in the statute and there are in fact many areas where we run into sudden loss loads which might require an increase in rates, but we know we can wait because there will be another growth which will recover the income. So I do not think we can give a sort of yes or no answer on that one. In some cases, we might have to raise the rates.

• 1130

Mr. Nielsen: Are you not stretching the authority under the Act—no offence intended here, if you will permit me to finish this question. You are operating on the basis that you are not self-sufficient now but that you know that you might be in the future, or you know you are going to be in the future, whereas in actual fact any individual operation may never be self-sufficient or self-sustaining.

Mr. MacDonald: The latter point could be correct but my former point could be equally correct. The question of what is self-sufficient—this means the retirement of the capital obligation, the payment of cost, and I think this has to be looked over a reasonably large period. One man in one year alone in any utility could suffer a loss of income for one reason or another; the closing down of a plant, for example; and we might or might not have to raise rates immediately. It would depend upon what one knew was going to come up. If one knew nothing was coming up, one would have to raise the rates under the statute as it is now drawn.

Mr. Nielsen: I agree that in so far as the general compliance with the restrictions contained in the Act is concerned, that is the Commission being self-sufficient, these plants meet these provisions because the Commission is in fact, self-sufficient. It has made a profit this year. Is that correct?

Mr. MacDonald: Yes.

Mr. Nielsen: So that would I not be correct in saying that those plants operated by the Commission that show a net income are in effect subsidizing the plants that are showing a net loss?

Mr. MacDonald: No, sir, we are not permitted to do that.

Mr. Nielsen: No, but generally is this not correct? The Commission is self-sustaining but there are several plants that suffer a loss in this particular year. For instance, the Whitehorse operation at $130,536 net income —in effect, that net income is helping to subsidize other plants that are suffering a loss.

Mr. Humphrys: Yes, for this particular year in that sense, but the accounting still has to be kept straight, and there will be an accumulated deficit; the deficits accumulate. It is only subsidizing to the extent that it is providing working capital.

Mr. Nielsen: So if there are no rate increases in these areas, in these plants operated by NCPC that are suffering losses, then the plants such as the Whitehorse plant and the Yellowknife plant and the Fort Smith plant will continue to supply the capital that the NCPC needs to comply with the Act and be self-sufficient.

Mr. MacDonald: I would like to repeat, Mr. Nielsen, that the Act requires us to be self-sufficient with respect to each installation. We discussed this the other day. We do not, in fact, have the authority to embark upon a rate equalization policy, although it may have that appearance in any one given year.

Mr. Nielsen: Well, it is a rather important point because it was raised by several other members yesterday. Those members introduced the theory that perhaps in order to be a sound business operation, the Commission should have an equalization of rates throughout the whole system rather than by individual plant. And, of course, the point that I am now trying to get through to the Committee members is that if that theory is adopted, then you will have the plants that are making the revenues in effect subsidizing those that are not. Would that not be a correct conclusion to come to?

Mr. MacDonald: This is the classic debate, I think, that goes on with respect to rate equalization. There are many arguments pro and con. A Whitehorse plant may be making a very healthy profit because it happens to have the industry, which is a rich customer load, and people in the more remote areas would argue that they are entitled to some benefit from this. Now this is a policy matter which the government would have to decide. There is no legal ability to have rate equalization at the present time.

• 1135

Mr. Nielsen: If Parliament did alter the terms of reference in the Act so as to provide equalization throughout the whole system, would it not be a fair conclusion to draw, on the basis of a financial statement like this, that the residents of Yellowknife and the residents of Fort Smith and Whitehorse and other plants making a net profit could expect no reduction in rates as far as NCPC is concerned?

Mr. Humphrys: That would be a fair conclusion, Mr. Nielsen.

Mr. O'Connell: Mr. Chairman, I do not think that is necessarily true, since I favour and introduced, I think at the last sitting, the concept of the system being conceived of as a whole and self-sustaining on the system basis rather than as now necessary on a single plant basis. I would like to say that that would not necessarily follow, the way I see it. It might well be that some of the major centres would so benefit from the development of other centres in the North through power development that they, in fact, would grow sufficiently that their own power uses would increase and rate reductions might be quite consistent with equalizations.

The Chairman: I think I should interrupt here. We are getting into a debate.

Mr. O'Connell: I am sorry.

Mr. Nielsen: I have no objection, because this is extremely important.

The Chairman: I know but we are getting into a debate, Mr. Nielsen, and I think that you should continue with your line of questioning.

Mr. O'Connell: Mr. Chairman, I do not like the point to go unchallenged.

Mr. Nielsen: I think it should be challenged, so that we can get to the heart of the matter because it is very important to us in the Yukon and in the Northwest Territories, and before proceeding to my next question, I want to draw my friends' attention to the fact that we are expecting an independent economic future of the Yukon quite apart from the Mackenzie, and I am sure that the people over there are looking forward to the same day. So if any equalization comes, we are looking for equalization within the political envisagement of an autonomous unit in the Yukon as well as in the Mackenzie.

To what amount is the Commission restricted in so far as reserve for contingencies is concerned? For instance, I do not know what the Ontario utilities commission requires, but in Alberta they are restricted to 2 per cent. What is the figure, if any?

Mr. Humphrys: There is no restriction.

Mr. Nielsen: So that you can have 10 or 20 per cent if you want to.

Mr. Humphrys: It is a matter of the Commission's decision.

Mr. Nielsen: Is it a common practice to have no restriction in so far as the operation of public utilities supplying power is concerned, or are all private investment enterprises restricted on this question of reserves for contingencies?

Mr. MacDonald: I think that would require, if we were to extend this not only in Canada and the United States but throughout the North American Continent, a survey of the requirements of the Public Utilities Commissions who would be the bodies who would presumably allow certain maxima, and I do not think we have that information but could secure it.

Mr. Nielsen: I do not want the detailed information. The point that I am making is simply that NCPC operates unlike any investment-owned utility in that NCPC has no restriction on its reserve contingencies; but that in other jurisdictions, in the operation of investment-owned utilities, there is such a restriction.

Mr. MacDonald: Well, we have never built up that kind of reserve contingency to the extent that it is a significant item. We do have within the Commission at the present time a ruling that our target is 6 per cent of the capital assets.

Mr. Nielsen: It is more than that in Whitehorse, is it not?

Mr. MacDonald: No, I do not think so. Tom, do you have the figures?

Mr. Stott: Six per cent of the capital assets is the target for our reserve. I am not sure if it is at the target at the moment.

Mr. Nielsen: I might throw this question at you out of the blue. Since the net income for the Whitehorse plant was $130,536 last year, when can we expect a rate decrease in Whitehorse?

Mr. MacDonald: I do not think there is any expectation that there will be one because of the changing factors in Whitehorse. We are doing very well to maintain the rate at the present 1.25 cents.

Mr. Nielsen: You are familiar with the rate structure of the Yukon Electrical Company Limited in the Yukon, are you, Mr. Humphrys?

Mr. Humphrys: Well, I have some knowledge of it.

Mr. Nielsen: Would you agree with me that Yukon Electrical Company Limited have never increased a rate since their inception in the Yukon?

• 1140

Mr. Humphrys: I cannot be sure. I have no knowledge of that at all.

Mr. Nielsen: I do not want to give evidence but that is the fact. For the benefit of members of the Committee, throughout the existence of NCPC has there ever been a rate increase to the distributor, Yukon Electrical in the Yukon?

Mr. Humphrys: From the Commission to Yukon Electrical?

Mr. Nielsen: Yes.

Mr. Humphrys: Yes, in one instance.

Mr. Nielsen: Just one?

Mr. Humphrys: Yes.

Mr. Nielsen: I believe that was for a temporary period of three months.

Mr. Humphrys: I believe that is right, yes.

Mr. Nielsen: Was there not also a rate increase with respect to heat?

Mr. Humphrys: No. At one stage there was a special rate granted which they subsequently changed. There was a reduction in the secondary power rate, but that is not supplied to Yukon Electrical.

Mr. Nielsen: Who is that supplied to?

Mr. Humphrys: Directly to the user. In this case to the Department of National Health and Welfare or the Department of Citizenship and Immigration for the electric boilers.

Mr. Nielsen: For the boilers in the hospital there. There are two electric boilers and one oil boiler in that hospital.

Mr. Humphrys: That is right.

Mr. Nielsen: Was there ever any approach made to the Department or to the Commission to take out those electric boilers and install oil?

Mr. Humphrys: There was never any approach made to the Commission or to the Department, no. What department do you mean?

Mr. Nielsen: To the Department of Indian Affairs and Northern Development or to the Commission to take out the electric boilers and put in oil.

Mr. Humphrys: You say an approach made to the Commission. There certainly has not been. There could not be. We have no control over those boilers.

Mr. Nielsen: How about the Department?

Mr. MacDonald: Not to my knowledge. That is all I could answer.

Mr. Humphrys: The Department of Indian Affairs and Northern Development is not involved in that.

Mr. MacDonald: It is not a departmental installation. I think it would be the Department of Health and Welfare.

Mr. Humphrys: That is right.

Mr. Nielsen: Members of the Committee might perhaps think that boilers are unimportant. Mr. Humphrys, you might inform us how much power each of those boilers use.

Mr. Humphrys: As I recall, the total capacity is 4,500 kilowatts.

Mr. Nielsen: And what is the installed capacity of one of the present two—there are three to come—units at the hydro dam in Whitehorse?

Mr. Humphrys: The present hydro installed capacity is—

Mr. Nielsen: Of one unit.

Mr. Humphrys: Of one unit it is 5.6 megawatts. There are two of those and there is an 8-megawatt unit being installed.

Mr. Nielsen: Mr. Chairman, in order to provide the information upon which we can

intelligently assess the operations of NCPC I crave the indulgence of the Committee to put comparative rate structures to Mr. Humphrys with respect to the plants in the Northwest Territories and in the Yukon, and this of necessity is going to take a little time.

The Chairman: Mr. Nielsen, can you think of any way of speeding that up?

Mr. Nielsen: I cannot think of any way. Of course, the total result will be to show that in every single instance the NCPC rates are higher to the user than investment-owned utilities.

The Chairman: For purposes of your argument can we accept this statement as being the case?

Mr. Nielsen: Not for the purposes of the argument, Mr. Chairman, because when the members of the Committee have the comparative rates structures before them the wide divergency in these rate structures will leap at them. I think it is essential to do this in the making of my case.

The Chairman: Would we save time if we were to agree to table this as part of the—

Mr. Nielsen: I would be very happy if the Committee would agree to that. I have the information here in document form.

The Chairman: Is it about the limit?

Mr. Nielsen: I did not come here prepared to do that. I did not think I would be permitted to do it, but I can extract the relevant pages.

• 1145

Mr. O'Connell: If it is not reasonable to table the figures perhaps the member could give a summary of the main points.

The Chairman: Yes. Would this be possible? I would just like to point out to all members of the Committee that although the questions this morning have been very interesting and most relevant to those people who live in the Yukon, we have before us in the next month and a half the estimates of the entire Department and we would like to get through the Power Commission this morning as well as the Transportation Commission. I think we all agree there are a lot of extremely important areas in the Department which we have to consider in the next couple of months and we have the estimates for next year coming up in February, so we have a certain limited time available to us. I would like to ask for your co-operation, and if there is any way of cutting down on the time involved in presenting this to the Committee we will be glad to co-operate with you, Mr. Nielsen, and I think we can agree as a Committee to attach your figures as an appendix. Perhaps you could run through the main points.

Mr. Nielsen: I certainly want to be as brief as I can but because of the nature of the operation, because of the nature of the statistical information, it of necessity has to be somewhat lengthy, Mr. Chairman. I apologize for this but there is no other way to do it. If I am permitted to put these documents in it will speed things up. Incidentally, Mr. Chairman, the comparative case I want to make now is not only confined to the Yukon, it also includes the Northwest Territories.

Mr. Peters: While Mr. Nielsen is looking over these, is there any particular disagreement on the part of the Commission which the statement he makes that there is an unreasonable disparity between the two sets of rates, the normal public utilities operating in the area and the Commission rate?

Mr. MacDonald: Yes, sir, there is disagreement and it is really a question of comparing apples and oranges. I think the comparison will take quite a while. Mr. Nielsen has suggested that he would like to table the comparative tables and if we are permitted to table our analysis this would be available to the Committee as well.

Mr. Nielsen: I do not want to leave it there, Mr. Chairman, because I want to question on it. I have passed one document to Mr. Humphrys, which is a comparison of revenue on fuel costs for the year 1965-66 for the plants at Fort Resolution, Fort Chipewyan, Haines Junction in the Yukon, Teslin, Destruction Bay, Beaver Creek in the Yukon and Wabasca in Alberta, and you will note that the kilowatt hours sold in the Fort Resolution plants at Fort Resolution, Fort Chipewyan, table of comparisons, is 11.5 cents and in all the other plants—all of which are operated by investment capital—the highest rate is 8.9 cents and the lowest 7.7 cents. Without going into your detailed analysis, does that look like a reasonably accurate comparison, Mr. Humphrys?

Mr. Humphrys: Just sitting here I cannot comment one way or the other on the other

figures. The figure for Fort Resolution, which I am familiar with, I would say looks accurate. I do not know about the others. Assuming the arithmetic is correct, yes.

Mr. Nielsen: I will table that and perhaps, as Mr. MacDonald has suggested, you might defeat that comparison by analysis. I rather hope you cannot.

The next document I want to pass out to you is a rate comparison for residential and commercial and using the same plants. Under residential we have broken down a monthly bill for 25, 50, 100, 150, and 300 kilowatt hours. For the Fort Resolution plant under those headings, 25, 50, 100, 150 and 300, we find $4.40, $8.40, $14.25, $17.25, and for 300 kilowatt hours it is $24.75. For all of the other locations, which are investment-owned utilities, you will find the highest rate to be $24.40. With respect to the commercial user, based on a 4-kilowatt-hour load—and these are monthly bills—under the 200, 400 and 800 kilowatt heads for the same plants we find that, for instance, under the 800 kilowatt head at Fort Resolution NCPC charges would amount to $128.40. The highest bill for an investor-owned utility is $72 at Fort Chipewyan and at Athabaska. At Haines Junction it is $80.50; these, compared with $128.40. Would that be a reasonably accurate comparison of these rates?

• 1150

Mr. MacDonald: We will not know until we have had a chance to analyse them; before accepting it as fact.

Mr. Nielsen: I wonder, Mr. MacDonald—I do not want to have you answer but Mr. Humphrys, I am sure, is familiar with the operation of NCPC. For instance, at Fort Resolution would the bill for 800 kilowatts for a month be $128.40?

Mr. Humphrys: Well, if somebody has done the arithmetic on the published rate structure correctly, yes. I cannot say offhand. It is on the order of the rate of magnitude, I would say; it would have to be checked.

Mr. Nielsen: That is the second document I wanted to submit, Mr. Chairman. Perhaps an analysis could be prepared and an attempt made to refute those figures.

The Chairman: Would you identify these documents as documents No. 1, 2 or...

Mr. Nielsen: Well, that will be the second one.

The Chairman: All right. Would you forward them to the Chair?

Mr. Nielsen: I have passed both of them to Mr. Humphrys.

Mr. MacDonald: Our purpose will be to refute, agree, or explain. The burden will be upon us, if the differences are there, to explain why they are there, and either it will appeal to the Committee or it will not.

Mr. Orlikow: Mr. Chairman, I do not want to interfere with Mr. Nielsen's presentation, and I am certainly no expert on rates—I do not now whether anybody on this Committee is—but I am wondering what point Mr. Nielsen is trying to make.

As I followed him at the beginning, I thought he was saying, in effect, that because this corporation is a Crown corporation it is not required to have the financial reserves which private companies do. I do not want to put words in his mouth, but it seemed to me he was implying this this company has an advantage—I was going to say, an unfair advantage—over other companies. I think that is what Mr. Nielsen said.

If he said that, and he is now saying that the company is charging higher rates—I am curious to know what Mr. Nielsen is trying to do. Is he trying to say that it is an inefficient company or not as efficient as the others?

Mr. Nielsen: That would be one of my purposes, Mr. Orlikow. It simply boils down to the fact that NCPC because of its higher cost of operation—for whatever reason—is required to charge more than investor-owned utilities. In fact, it will be my intention to show that this is what is happening, and if I am wrong I would like to know.

Mr. Cullen: I wonder if you will permit one more question? I am a little confused as well. I sort of got the impression that there was a competition here between a Crown-owned corporation and private industry and that private industry was charging less. As a result of your bringing these figures are you going to suggest that NCPC should get out of this area and get into another one?

Mr. Nielsen: That would be one of the purposes.

Mr. Cullen: I see; they are to get out and let private industry handle it. They could perhaps do their job better somewhere else?

Mr. Nielsen: Yes, that is one of the purposes and I will have alternative suggestions.

Mr. Cullen: If that suggestion is not accepted by the Committee are you then going to suggest that perhaps there would be room for improvement or a more efficient operation than this?

Mr. Nielsen: Yes, or the emergence of a policy.

• 1155

The Chairman: Mr. Nielsen, if I may say so, I think you have made your point and if you could submit the remaining documentation we could then have the Commission supply documents at the next meeting which might or might not refute what you have submitted. Do you have further questions in addition to these?

Mr. Nielsen: Oh, yes, I do, Mr. Chairman.

The Chairman: As a committee, I think you have to be fair with us, Mr. Nielsen. It is a pure question of time. How much time are we going to devote to this particular Commission? There are an awful lot of other important items to get to and I just do not know how we are going to get to all these items if we spend two or three sessions on this particular Commission. In my view, it is not justified; other members of the Committee may have differing views.

Mr. Nielsen: Mr. Chairman, the investment of its Whitehorse installation by the end of this year or early 1970 will be $20 million alone and I think it is really worthwhile spending a couple of hours on it, to say nothing of the extent of the investment in the Northwest Territories. There are, after all, 50,000 people who look to power, to say nothing of the millions of dollars of new industry and development going into both of these territories. In my 11 years in these Committee meetings we have never gone into any in-depth study of the NCPC operation. I will try to be as quick as I possibly can.

Mr. Dinsdale: I would just like to comment, if I may, Mr. Chairman. This is an important point. The cost of utilities in the North is one of the basic discouraging factors to settlement . .

Mr. Nielsen: And development.

Mr. Dinsdale: . . . and development and I think Mr. Nielsen has an important point.

Mr. Smerchanski: Mr. Chairman, possibly to clear the air, why not have the Commission give us comparative figures based on a kilowatt hour of the plant potential, the actual amount delivered and sold, and have this based on a cost per gallon of fuel oil versus the cost of the kilowatt hour produced, say, from a hydroplant, making due allowance for line loss, and so forth? I think if we got this on every plant installation it would give us an immediate comparison of where the costs really are; the capital cost, the operating cost, the selling price per kilowatt hour and I think then we would come up with the answer to whether you have to have 12 cents per kilowatt hour to break even on a certain plant or possibly 7 cents per kilowatt hour.

Could we get that type of comparison for every plant installed and possibly an explanation of how the fuel oil is being delivered to this place, giving due recognition to the location of this plant—is it inland, is it on the coastline, does it come by tanker or by drum, or is it flown in by air? This type of compilation I am quite sure the members of the government here today can give us because they are familiar with this type of work.

The Chairman: I think that is a very good point. I wonder if the members would accept this suggestion, that we simply allow Mr. Nielsen to submit the remainder of his documentation to be printed as appendices to our Proceedings?

We would ask the Department to supply the comparison figures which have been requested and also, if they can or if they wish to do so, supply documentation to refute the items and figures which Mr. Nielsen has submitted. Then we will come back to this at another session and we can pass on to the Transportation Commission right away.

Mr. Smerchanski: Mr. Chairman, if you will permit me, I would like to carry on further with Mr. Nielsen's inquiry because he comes up with a very good point. The other thing that concerns me as a newcomer at today's hearing is that I am concerned when I hear the word "subsidize" because it appears that the Department of Health or the Indian Affairs Department is subsidizing certain of these operations. Now, if they are being subsidized, they are being subsidized by tax dollars.

Therefore, I think as an added source of information we should find out how much the power in this northern area is subsidized, by

what departments and in what amount. This also is going to have a bearing on the cost per kilowatt hour delivered at that particular point. This, of course, would again help us to be able to analyse it in principle.

• 1200

The other question I have might be the last one. Following Mr. Nielsen's inquiry on Exhibit VI, I do not understand this: the income arising from construction, maintenance and operation of facilities for Canada and others, while showing an expense of operations and maintenance. How do you reconcile these two areas? Does the organization do construction work for somebody else and if it is for somebody else, is this private enterprise or are they other government departments?

Mr. Humphrys: They are other government departments.

Mr. Smerchanski: Entirely?

Mr. Humphrys: Yes.

Mr. Smerchanski: Would I be right in saying that this could be looked upon as being an intragovernmental movement, moving of funds, say from the Department of Health and Welfare or Indian Affairs?

Mr. MacDonald: The wordage is...

Mr. Smerchanski: Does this mean that some of the capital costs of the investments that are in the power plants in Northern Canada, are owned by other departments?

Mr. Humphrys: No.

Mr. Smerchanski: How do you reconcile the fact that this is income in terms of maintenance and operations for other departments?

Mr. MacDonald: We referred to Moose Factory, I think it is, and Field as two examples of the plants we operate merely as agents.

Mr. Humphrys: We operate water systems such as at Frobisher Bay and Fort Simpson in the Northwest Territories which are owned by the Department of Northern Affairs—Indian Affairs and Northern Development—and we operate them on a contract basis.

Mr. Smerchanski: Well, then, Mr. Chairman, this is the point I come up with. I think that we should also be supplied with information to find out what plants are owned by other departments so that there could be some unanimity in Mr. Nielsen's inquiry and certainly for my clarification that, in fact, the Northern Canada Power Commission does not own all these plants but they are acting as agencies in certain instances.

The Chairman: I wonder if we could ask the Commission if they could supply this and if that is the case we will...

Mr. Humphrys: No problem.

The Chairman: Mr. Orange has a supplementary here, I believe.

Mr. Orange: I just wanted to ask, Mr. Chairman, if the Power Commission has started in terms of regional or other power grids in the North. Have they developed any plans in this respect at all? Otherwise, equalization of rates, in any particular area?

Mr. MacDonald: First of all, as you know, Mr. Orange, we cannot think in terms of equalization of rates with the present statutory framework. The grids I think are nonexistent at the moment.

Mr. Humphrys: They are very limited, except in the Yukon.

Mr. MacDonald: In the Yukon, the transmission lines we have there. The problem in the North, you know, is the disparity, and they depend upon a very large source of hydro power being able to rise to meet some fairly large demand. Now, there is some middle-term possibility of that in the Yukon but none apparent at this moment, I think, in the Northwest Territories.

Mr. Humphrys: In the Northwest Territories the prime problem is transmission costs. It does not matter whether you have generating sites that give you power for virtually nil, but the cost of transmitting it over the distances involved in the Northwest Territories for the very small loads that are involved, the load just cannot support the transmission line.

Mr. Peters: Would you suggest that this 12 cents a kilowatt is a nil factor

Mr. MacDonald: Mr. Humphrys said that even if there was a hydro site that gave you theoretically nil cost, it could cost the transportation.

Mr. Nielsen: I think Mr. MacDonald unintentionally said something here that he did not mean to leave the Committee with. He referred to the transmission lines in the

Yukon, which the NCPC have in the Yukon, but they do not have any there now, in fact, do they?

Mr. Humphrys: Yes.

Mr. Nielsen: Where?

Mr. Humphrys: In Whitehorse. From Mayo to Keno, and also one building from Whitehorse to Avro.

Mr. Nielsen: Yes, but the majority of them are investor-owned, are they not?

Mr. Humphrys: Well, there is only one other one owned that runs from Whitehorse down to Carcross.

Mr. Nielsen: Is there not another one from Bear Creek to Dawson City?

Mr. Humphrys: Well, there was at one time.

Mr. Nielsen: Has that line been offered for sale to NCPC?

Mr. Humphrys: They have salvaged it. They took it down and sold the copper.

Mr. Nielsen: Was it not offered to NCPC for half the cost of salvage?

Mr. Humphrys: Not the whole line, no.

Mr. Nielsen: For $11,000.

• 1205

Mr. Humphrys: We retained a small portion of it to supply power to the airport beacon.

Mr. Nielsen: Was that line not offered to NCPC for $11,000?

Mr. Humphrys: Well, I will not deny that it was not. I cannot recall that it was, sir.

Mr. Nielsen: I have passed out, Mr. Chairman, Document No. 3 which is a table of comparison of the monthly rate schedules at Fort Simpson and Fort Smith, both of which are operated by NCPC and Yellowknife and Hay River, both on the residential and commercial rate for the latter two. At Yellowknife, of course, Plains Western are the distributors and NCPC are the producers. At Hay River, Northland Utilities both generate and distribute, and at Fort Simpson and Fort Smith, NCPC generates and distributes. Again, the disparity in the rate structures are quite evident. The fourth document I would like to pass out, if I may, is a comparison of Hay River rates with other northern communities. The Hay River rate which is an investor-owned utility, just to briefly give one comparison, works out for 300 kilowatts at $15.90 as compared with NCPC at Fort Simpson $18.45 and Fort Smith $11.26. In the lower bracket the disparity is even greater. In that same table there is a breakdown of general services for the same locations.

I have one last document I would like to table and I have only the one copy of it, so before passing it up to you, Mr. Chairman, it is a comparison of the rates as between the proposal that Yukon Electrical put to supply power to Dawson City prior to NCPC taking over that operation. The proposal of Yukon Electrical was to supply power for the first 40 kilowatts in Dawson at 12 cents; for the next 160 at 8 cents; and for the next 400 at 6 cents, and all in excess at 4 cents. The NCPC existing rates in Dawson are for the first 10, 20 cents; for the next 90, 12 cents; and for the next 100, 10 cents; and all in excess at 6 cents. So even the lowest NCPC rate now being charged in Dawson City is higher by almost half the rate of the proposal of Yukon Electrical. This table that I will be passing up also contains a comparison of the Watson Lake rates which are supplied by Yukon Electrical—the first 40, 8 cents: for the next 160 kilowatts, 6 cents: for the next 400, 4 cents; and for all in excess 3.5 cents. It is a location which NCPC had the opportunity of supplying and did not. I would suggest you do not reproduce the notes on that copy. Mr. Chairman.

The Chairman: We will table these and have them printed in the appendices.

Mr. Nielsen: I have several other questions on the NCPC, Mr. Chairman.

The Chairman: Would they fit in—I am sure there are further questions that will result when we come back to this.

Mr. Nielsen: Well, I am moving away from rates now. I know you are anxious to get on with the transportation end of it.

The first plant that NCPC established in the Yukon was Mayo. Is that correct, Mr. Humphrys?

Mr. Humphrys: Yes.

Mr. Nielsen: That was in 1958, was it?

Mr. Humphrys: In 1952, I think.

Mr. Nielsen: From that time until 1958, NCPC did not construct any other installations in the Yukon. Is that correct?

• 1210

Mr. Humphrys: Correct.

Mr. Nielsen: What was the situation with respect to the supplying of power to all of the other smaller communities, such as Dawson City, Haines Junction, Watson Lake, Carcross, Carmacks, Teslin, Destruction Bay, Beaver Creek, Old Crow, Keno City, Stewart Crossing, Ross River, and Pelly River Crossing, all of which are now supplied with power. Why did not NCPC go into those communities and supply power to them if their stated objective was as we heard?

Mr. Humphrys: I do not know what the stated objective was on that score, but it was not the Commission's policy at that time to move into local and small areas.

Mr. Nielsen: The Act was amended in 1948 to permit NCPC to do this and Mr. MacDonald said yesterday, according to the notes I took, that the demand minimum had to be 100 kilowatts—I do not know whether it was Mr. MacDonald or Mr. Humphrys—before NCPC was interested in going into these small communities. I took that to mean that was the economic criterion NCPC used before they would go into these communities to put in plants.

Mr. Humphrys: An economic criterion affecting when we would evince interest, you might say, but then it was only if we were requested to do so. The amendment of the Act only permitted us to build our plants in the Yukon; it did not compel us to.

Mr. Nielsen: Mr. Humphrys, I am sure you are aware that many times prior and subsequent to 1952 Dawson City requested someone to go in and supply power at less than the 25 cents a kilowatt they were paying until NCPC got there, and now it is 20.

Mr. Humphrys: We never received a request for it.

Mr. MacDonald: I cannot speak from knowledge, having just become Chairman for the last six months, but Mr. Humphrys . . .

Mr. Nielsen: But as the Deputy Minister of the Department I am sure you are aware of the many resolutions that were passed by the Yukon Territorial Council in that respect and the special study that was conducted there about three or four years ago.

Mr. Humphrys: Yes, sir. The purpose of the study, as I recall it, was to determine whether or not the operation as it then existed was, you might say, fair and equitable, but I do not recall any requests coming out of that that the Northern Canada Power Commission move in and take over.

Mr. Nielsen: In 1961, Mr. Humphrys, was it not your view that the Northern Canada Power Commission could not justify spending public funds in supplying power to Dawson City because of its uncertain future?

Mr. Humphrys: I never said that.

Mr. Nielsen: I did not suggest you did; I was just asking whether that was your view.

Mr. Humphrys: No, that would not be the situation as of that time; I would not express a view in that fashion. There were many other factors involved in the supply of power to Dawson as it existed at the time the YGCG operated.

Mr. Nielsen: In looking at your financial documents again, with respect to Dawson City specifically, Exhibit 5A, the total current assets in Dawson City are listed $251,955. I think I am reading that correctly. How many units in Dawson City are supplied in relation to that asset?

Mr. Humphrys: Do you mean power or consumers, or what?

Mr. Nielsen: Would there be 200 consumers?

Mr. Humphrys: Yes, roughly 200.

Mr. Nielsen: That would mean a per capita investment of $5,000, would it?

No, it would be more than that; it would be about $12,000 each.

Mr. Humphrys: I do not understand what. . .

Mr. Nielsen: The point I am trying to make is that in Dawson City the per capita investment is out of all proportion to the amount invested.

Mr. Humphrys: I will agree that the costs of supplying services in a place like Dawson are certainly high compared with other places.

• 1215

Mr. MacDonald: I am not sure what choice we have.

Mr. Nielsen: In 1964 did not Yukon Electrical Company make a proposal to supply power at the proposed rates that I have put to you in document V, I believe it is?

Mr. Humphrys: Yes.

Mr. Nielsen: They made that proposal to the Department–

Mr. Humphrys: Yes.

Mr. Nielsen: And those rates are, in fact, in the proposed rates that they made. They are, in fact, now lower than what the NCPC is charging by a substantial amount, are they not?

Mr. MacDonald: Those would be proposed rates. How do we know that they would in fact, have been the rates?

Mr. Nielsen: Did not Yukon Electric inform the Department at that time that it was willing to enter into a 20-year franchise with both the city of Dawson and the Territorial Government and stick to those rates?

Mr. MacDonald: Committing itself to those rates?

Mr. Nielsen: Yes.

Mr. MacDonald: That I would like to find out. I would be very surprised if any company committed itself to 20 years of rates in the light of rising costs.

Mr. Nielsen: Is it not a fact, Mr. MacDonald, that Yukon Electric has committed itself to rates in Whitehorse and in all the other franchises, Haines Junction—Mr. Humphrys knows of this, I am sure—and Watson Lake with the Territorial Government, committing itself to these rate structures?

Mr. MacDonald: Committing itself legally to not increase the rates?

Mr. Nielsen: Committing themselves to the rates that they proposed which are subject, of course, to control by the elected representatives of the people.

Mr. MacDonald: Not to increase them?

Mr. Nielsen: Subject to the control of the Territorial Council.

Mr. MacDonald: Yes, but not a commitment not to increase the rates.

Mr. Nielsen: Would it not be fair to say that since they have established power in all these communities that I have listed, they have not raised the rate in any single instance?

Mr. MacDonald: That I would have to establish.

Mr. Nielsen: Could Mr. Humphrys confirm that?

Mr. MacDonald: We have agreed to comment on the comparisons—

The Chairman: Mr. Nielsen, this again is part of your general exposition, arguing that private industry can do the job better than the Northern Canada Power Commission. I presume you are going to sum up your arguments when these documents are tabled and appear before the Committee in printed form and when we have answers from the Northern Canada Power Commission.

I wonder if I can ask your co-operation, Mr. Nielsen, so that we can finish this item today and pass on to the Northern Transportation Commission? I realize this is very important for the Yukon.

Mr. Nielsen: And the Northwest Territories.

The Chairman: And the Northwest Territories.

Mr. Orlikow: Mr. Chairman, on a question of procedure, I do not hide my general belief in public ownership, but at the same time if it can be demonstrated that private enterprise can do it better I am not that wedded to the principle of public ownership.

I think it is quite proper to ask the representatives of the company for detailed explanations of the operation, but it seems to me that the question of the principle of whether we should have public or private ownership is one that should not be discussed with the representatives of the company. I do not think that is their business. I think it is a question that should be discussed with the Minister.

The Chairman: It is purely a matter of government policy, I think.

Mr. MacDonald: We feel it is incumbent on us, we have a duty to respond to these figures with analysis.

Mr. Orlikow: Yes, I am not questioning that.

Mr. MacDonald: We will not debate the issue of public versus private ownership.

Mr. Nielsen: I will try to cut things down by vomiting all these question and then the officials can get the answers for them. All right?

What did NCPC pay to YCGC for the distribution system in Dawson City? What portion of the purchased assets were incorporated in the present system? What did NCPC pay Discovery Mines for three 250 kilowatt diesel electric units moved from Carmacks to Dawson? What were the costs to overhaul these units after they were moved to Dawson?

I would like, if possible, to have a written explanation, because of the delay in getting committee reports, at why no interest or depreciation has been charged against the Dawson operations. I would like to see in that reply, if it is not too inconvenient, your views at whether the omission to do so is not contrary to the Act.

• 1220

I would like some explanation with respect to the comparison of sales to net income which do not appear to bear any constant relationship. For example, in Mayo the sales were something over $300,000, only half those of Whitehorse, but the net income was $60,-000-odd, a loss compared to the Whitehorse income of $130,000-odd.

With respect to the occupation and the hook-up of Indian homes, in co-operation with Mr. MacDonald because of the interest displayed by the Committee at our last meeting, the Indian Affairs Branch might provide us with the total number of homes built in each of the communities which I will name, and perhaps Mr. Humphrys and his officials might confirm the number of electric power users in each of the locations which I will name.

At Carcross the total number of hook-ups, 69, and I am not aware of the number of Indian homes there or the number hooked up. At Carmacks a total number of 57 users of power with 10 Indian homes hooked up. At Haines Junction a total number of users of 79 with 12 Indian homes hooked up. At Watson Lake a total number of hook-ups of 202, with no count as to the Indian user. At Teslin a total number of 68 hook-ups with 11 Indian homes hooked up. At Destruction Bay and Burwash a total number of hook-ups of 39 with 15 Indian homes hooked up. Beaver Creek, a total of 25 with no count of Indian homes. At Old Crow, out of a total of 21 hook-ups, 12 of these are Indian users. Upper Liard, a total of 40 hook-ups, with 28 of these Indian users. Lower Post, a total of 14 with five Indian users. At Stewart Crossing a total of six with no count for the Indian users. At Pelly Crossing 38, with 18 Indian users. At Roos River 49, with 15 Indian users. At Keno City 45, with no count for the Indians.

Perhaps, Mr. Humphrys, you would not mind checking to see whether or not the offer was made to NCPC to sell the Bear Creek to Dawson city transmission line for half the cost of salvage value, or $11,000. Was that offer made to NCPC, and if it was not accepted I would like to know why.

I would like to know the number of homes heated electrically in the Yukon and the number of business establishments heated electrically in the Yukon, and there are some.

Mr. MacDonald: Mr. Chairman, I do not know that we would have that information.

Mr. Nielsen: Perhaps you could check my figures, then. There are four or five electrified homes and one business establishment electrified for heating purposes.

Mr. MacDonald: On a point there, Mr. Nielsen, we are not the distributors in Whitehorse which is the predominant...

Mr. Nielsen: Could that information be obtained?

Mr. MacDonald: We will endeavour to see if we can, but we would not necessarily have that to ourselves.

Mr. Nielsen: Yes. I would also like to know the cost of power being sulplied to those electric boilers in Whitehorse. I believe it is four and a half mills, less than half a cent. Why?

Mr. Humphrys: Because it is surplus power.

Mr. Nielsen: Surplus power?

Mr. Humphrys: Yes.

Mr. Nielsen: If that is the case, why is another unit deemed necessary in Whitehorse?

Mr. Humphrys: Because there will be a greater demand when the Anvil Mining Cor-

poration Limited load develops next year and that power may not be surplus all the time. But in any utility there is surplus power at certain times of the day and it is interruptible, recapturable power. There is no guarantee for it. Any revenue we get from that is of benefit to the system and helps to depress the prime rate for power.

Mr. Nielsen: I could never understand that explanation and perhaps you might test this argument when you do your analysis. Here is NCPC putting in another 8,000 kilowatt capacity in Whitehorse, and yet they still say they have surplus power to sell at half a cent.

• 1225

Mr. Humphrys: Yes. At certain hours of the day, certainly.

Mr. MacDonald: Every utility in the world has surplus power at all times, and if it does not it is in trouble.

Mr. Nielsen: All right then, perhaps. What is the reserve capacity normally set up in units such as Whitehorse or any other units?

Mr. Humphrys: The desirable thing is to have a reserve capacity equal to the capacity of the largest unit on the system. That is the classic system.

Mr. Nielsen: Yes. And does that reserve capacity exist without the new installation in Whitehorse?

Mr. Humphrys: No, not without the new installation.

Mr. Nielsen: And there is still surplus power?

Mr. MacDonald: There always is surplus power. You have got interruptible recoverable power.

Mr. Humphrys: You must think of this in terms of energy as well as power capacity. One is kilowatt hours and the other is kilowatts, which is an entirely different situation.

Mr. Nielsen: But if the boilers were not there, there would be no need to supply this surplus power at half a cent and it could be sold elsewhere.

Mr. Humphrys: There would be no revenue either.

Mr. Nielsen: If it were sold elsewhere would there not be revenue?

Mr. Humphrys: Who would buy it?

Mr. MacDonald: Who would buy it on that basis?

Mr. Nielsen: The same people that are going to buy the new 8,000 kilowatt installation at...

Mr. MacDonald: No, they must have firm power. That is firm power, sir. There is a big difference.

Mr. Nielsen: Those are the questions that I had for this morning. I do not want to prejudice my right to come back to NCPC. Before concluding, Mr. Chairman, could we have your assurance that they will in fact be back before the Committee to tidy things up?

The Chairman: I think we have general agreement here in the Committee, have we not, that we will stand this item until the figures are supplied and then we will bring it back some time between now and...

Some hon. Members: Agreed.

Mr. Peters: Mr. Chairman, I would like to have the Commission bring back a counter argument for the one Mr. Nielsen has advanced.

The Chairman: I understand, Mr. Peters, that this is what they have undertaken to do.

Mr. St. Pierre: Mr. Chairman, could we possibly have both Mr. Nielsen's questions and the Commission's answer in mimeographed form? It would be much better.

The Chairman: It will be part of the appendix to the...

Mr. St. Pierre: Mr. Nielsen's questions will be in the appendix, but if the Commission is bringing answers...

The Chairman: They will be in a form which will be capable of being tabled and I think we could ask them now to have enough copies available to distribute.

Mr. MacDonald: We will endeavour to submit it to the Clerk sufficiently ahead of time so that it can be distributed because obviously it will be a complex argument of analysis.

Mr. Nielsen: Would it be within the bounds of propriety to have the agreements that NCPC has with Yukon Electrical Company Limited and Plains Western Gas and Electric Company Limited and any other distribution

agreements produced so that we can have a look at them?

Mr. Humphrys: We have no agreement with the Yukon Electrical Company Limited.

Mr. Nielsen: Is there one with Plains Western Gas and Electric Company Limited?

Mr. Humphrys: There was at one time, but it just continues on.

Mr. Nielsen: Yes. It would be helpful if we could get copies of these agreements with the private distributors.

Mr. MacDonald: These are public documents. If they are extant today they could be made available.

Mr. Nielsen: It would certainly be helpful to me if I could have copies of these before our next meeting so that I can ask intelligent questions.

The Chairman: Yes, we will have copies of their reply to you before the next meeting, Mr. Nielsen.

Mr. Orlikow: Mr. Chairman, I would suggest you have them for everybody.

The Chairman: Yes.

Mr. Orlikow: There is not much use in coming to a meeting to look at something very detailed when you get it an hour before the meeting, or when you walk into the meeting.

The Chairman: Are members agreed, then, that we stand this item?

Some hon. Members: Agreed.

The Chairman: I would now like to call item L70 of the revised estimates relating to the Northern Transportation Company Limited. The witnesses' names are Mr. W. M. Gilchrist, President; Mr. R. C. Powell, Secretary; Mr. J. C. Orr, Treasurer; and Mr. W. B. Hunter, General Manager. Mr. Gilchrist, we are pleased to have you with us and I presume you are going to make an opening statement.

• 1230

Would members of the Committee agree to tabling the memorandum which has been submitted this morning on the Northern Transportation Company Limited? We will copies of it. Is it agreed?

Some hon. Members: Agreed.

Mr. Yewchuk: Mr. Chairman, I wonder if it make it an Appendix. You have all received would be possible to get this information two weeks in advance rather than presumably the night before, just in case some of us do not even get it because I do not have mine, unless it was put in the mail. We cannot do anything very useful getting this for the first time right now. I am very upset about this—the matter of handing our information the minute before we are to interview the witness.

The Chairman: That is a good point, Mr. Yewchuk. Unfortunately, so far in this Committee we have not had our schedule lined up that far in advance, and it has just not been possible, but it is a good point.

Mr. Yewchuk: It seems to me that our function here could be quite meaningless unless we are prepared to carry out the questions in the proper manner.

Mr. W. M. Gilchrist (President, Northern Transportation Company Limited): I might say in that regard we did not know that we were to appear here until Thursday of last week, I think it was. We had really less than a week to prepare anything for you.

In the instructions I received, the item that seemed to be of most interest was the $6 million loan that we requested this year as supplementary to our capital. I have a statement here regarding the reasons for that which is included in this memorandum. Also included in the memorandum is a brief outline of our history, development and so forth.

To read the entire brief here as presented would take some time. If it is acceptable I will just give you a brief outline of the Company, its function, its area of operation, its estimate of the future extent of its activity, and that will be all. Is this acceptable?

The Chairman: Yes.

Mr. Gilchrist: Well, as you perhaps know, certainly the people who are connected with the North or have experience in the North who are on the Committee know, we run the only barge or river transportation system in the Mackenzie basin and in the Central Arctic. We have two bases of operation, one at Waterways, and one at Hay River. The system is now pretty well split at Forth Smith. Before the railway got into Hay River everything had to go through Waterways, down the Athabasca, down the Slave, across Portage at

Smith, across Slave Lake and on down to the Mackenzie in the Arctic. With the railway into Hay River, anything down to the lower Mackenzie and on to Slave Lake goes through that way. There are a few items that may come the other way, but they are few, so that actually we have two divisions, the Athabasca division and the lower Mackenzie division.

• 1235

Over the years we have grown from what was in the early stages really a barge system, a river transportation system, designed to service the uranium mine on Bear Lake. When Gilbert Lebine formed or founded Eldorado and made the discovery and developed the mine at Port Radium on Bear Lake he was somewhat concerned about the dependability of the system that was then operating, so he developed his own. It is out of that system that Northern Transportation has developed.

When the Crown took over Eldorado Mining and Refining, now Eldorado Nuclear, in 1943 and 1944 along with it came Northern Transportation. Northern Transportation is wholly owned by Eldorado Nuclear. As time went on and the volume of freight grew, the Hudson's Bay Company which was also operating as a common carrier on the Mackenzie, asked Northern Transportation to take over their operation which they did in 1958. The second organization or the third organization, you might say, at that time which was Yellowknife Transportation Company Limited continued to operate until 1965 when it was absorbed by Northern Transportation as well. So now, as stated, Northern Transportation is the sole water transportation organization in the Mackenzie basin and along the Central Arctic coast.

Over the years the freight volume has fluctuated considerably. In the fifties it went up very markedly when the urnium mines in the Lake Athabasca area were developed, and then it decreased and now is on the upswing again due to oil and also renewed interest in the mining in the Athabasca area, and also in the Northwest Territories.

Before taking over Yellowknife Transportation and its subsidiaries, we handled approximately 120,000 to 130,000 tons of freight a year. When we took that over, that grew to about 170,000 to 180,000 tons in 1966 and it dropped back roughly to 164,000 tons in 1967. This year due to the discovery of oil in Alaska and the renewed activity in oil exploration in the Mackenzie Valley itself which is an offshoot of that discovery, we are now up to 200,000 tons. In fact, we will handle better than 200,000 tons in 1968. We do not know yet because all the returns are not in. We expect in 1969 to handle anywhere between 150,000 and 175,000 tons. This is why we have had to come back to the government and to the Department and ask for a supplementary estimate or at least an increase in our capital expenditures so that we could immediately proceed with the construction of the necessary equipment to handle this sudden increase in tonnage. We fully expect that in the coming year, even in 1970, it will be over 300,000 tons. In fact we are almost certain of it now, and beyond that I really do not know what is going to happen.

That is roughly the history, the present situation, and what we expect to happen in the future. I do not think there is much else. That is a pretty broad picture. There is a fantastic amount of detail that of course I have not touched on. But I think I better leave it at that point and let the Committee ask the questions and fill in their own picture as they see fit.

• 1240

The Chairman: Mr. Orange.

Mr. Orange: Mr. Gilchrist, at the outset, living in the area where you do most of your business, from time to time we get fairly hostile with N.T. Let me say personally that I think by and large N.T. is doing a good service in the North providing transportation. We have noticed your capital development in the last number of years, particularly in Hay River and Tuktoyaktuk and I think that by upgrading your system and some of the adjustments in rates that you have made in the last three or four years it has been helpful to people living in the North and depending on the river for their supplies. I have a couple of questions and the first is that because of the problems at the big lake, Slave Lake, breaking up in the spring and the Mackenzie River breaking up possibly one or two or three weeks earlier, depending on the season, have you any intention with the completion of the road to Fort Simpson of possibly extending your land line to Simpson in order that you may get an earlier breakaway period to go down river?

Mr. Gilchrist: We have not, if the freight was going to remain normal, that is, the development of freight. However, I think that

if the oil development on the Arctic Coast and perhaps in the mouth and at the estuary of the Mackenzie and on the Mackenzie lives up to its promise, we will have to give some consideration to this because of the problem of how the oil reaches market. I might state now that I have just come back last week from Dallas, Texas, where I talked to the people who are involved in this oil development. What I am saying now is my own opinion but there is going to be a pipeline and I believe ultimately there may be two. The first one I would think, and this again is my own opinion, will be to the southern Alaska Coast which is about 800 miles but the reserve as indicated is more than what can be absorbed along the West Coast and it would likely disrupt that marketing picture. Now, as any oilman will tell you, the developing market or the fastest growing market from the viewpoint of volume is in the Eastern and Midwestern States. Now, to get your oil there it does not take too much imagination as to the route it must come. You can let your imagination play with going around by tanker and all the rest of it but, in the matter of hard dollars and cents and in the volume that is indicated, the great circle route is straight down the Mackenzie. If we are faced with a development of that nature we are somehow going to have to get around the Providence—Fort Wrigley area because there are 40 miles in there that—to handle the volume of freight, the volume of goods that you would have to handle, because the moment that you are talking about a line from Prudhoe Bay to where it can hook into the system. Now all of it would not be. But you are talking of at least a million and a half tons of freight, and you are going to have to handle it within two years. Now, the speed with which we are going to have to handle this and the methods by which we are going to have to do it, we are not going to have the necessary area at Hay River, unfortunately. The other point is that we can extend our season by very nearly a month by going just slightly below Providence to Mills Lake or the Mills Lake Landing. We are on the river two weeks in the spring before Slave Lake opens up. We would have from five days to a week in the fall extra because we would not have to get our equipment back up through the rapids and out of the water at Hay River. Besides that we would have perhaps anywhere from four to seven days that is spent in waiting for the winds to subside on Slave Lake. When we are on the lake it is all right. There is no problem, but when we are trying to get a swing of barges—our boats are shallow draft—into Hay River in the narrow dredged channel or into the river, we have to have rather calm conditions, so when we total this up it means close to a month extra, and in the Arctic, on the coast, on the rivers, it is not days that we are worrying about really. We get down to hours on this.

• 1245

Now, if conditions were to remain as they are at the moment, yes, we can handle it through Hay River. We did this year, and we are going to have to buy up to give us the necessary room there, even to handle the increase foreseeable in the next two years. But if we are faced with this pipeline situation, and I am certain in my own mind we are going to be, then I think we are going to have to have a major look at the entire Mackenzie River. There are two points, even when you get below from Mills Lake down to the mouth, and one is the Sans Sault Rapids and the other is the Green Island Rapids. Green Island is not too much of a problem. The Sans Sault is not too much either, but we are going to have to get at it, and I am negotiating right now with the Department of Public Works and a few other people to see if we can speed up the situation there because, in the island we are going to have to handle swings down that river carrying anywhere up to 12,000 tons and we cannot stop. It has got to move because along the Arctic you have got 50 days; coming down the river, maybe four months.

• 1250

Mr. Orange: The water levels on the lake and the Mackenzie River have been very low this year. There has been some speculation that it might be Mr. Bennett's damn dam where he is holding back far more water than he originally anticipated. Have you any opinion of whether this is a factor in the low water level, because I know it affects your operation and it has created some serious problems for you this year?

Mr. Gilchrist: I do not think there is much doubt that it has; certainly it has affected the levels of the water. I am going to get into the argument about how much should be allowed to come down the Peace River and what is

coming down, but certainly they are running only three turbines at the moment and I think they are all that are going to be running for the next year. I was at the opening and a fantastic amount of water has to be accumulated before the other seven turbines come in.

I have no figures to show the amount of water the Peace River contributes to the flow in the Mackenzie River but I think it would certainly be 25 per cent or 30 per cent, so when you get a sudden drop or a maximum reduction in that flow you are going to be faced with quite a reduction in the main river. In addition to that, I think there has been somewhat of a drop in the precipitation over the area, so between the two we have had quite a problem this year and we are going to have a similar problem next year, I think. I cannot see much change.

There has been a marked drop in the level of the Great Slave Lake; also in the level of Lake Athabaska and the Mackenzie. We are hitting boulders and rocks where we have never had trouble before. In fact, we had one ship that almost—well, it did sink if it had not got to shore, and right in the centre of the river, and what did he hit? We did not know until one of the older employees said, "Well, the Hudson's Bay Company sank a ship there 20 years ago and it could be that", and I guess that is what it was.

Mr. Orange: I notice you have attached a list of names and hours and days worked for people hired locally in the Mackenzie. Unfortunately, you have included 1966. I say "unfortunately" because I get the impression that this has been a sort of "hot tomato" for you, but your record in 1967 and 1968 has been even more significant.

I am thinking, first of all, of Tuktoyaktuk where you moved your base from one side to the other so that one of the advantages was that the local people did not have to take boats to get to work every day. You have a policy in this regard but have you any comments on how successful it is? Is the Department of Northern Affairs co-operating with you in training programs for deck hands, for marine engineers?

The Chairman: You are referring to the employment of natives?

Mr. Orange: Yes.

Mr. Gilchrist: I might explain why that is 1966 because we made a study of this. Mr. Hunter signed that report, actually. We did not make the same study, or at least accumulate or, shall we say, bring in the one piece of paper, the same facts for 1967, because there was no marked change. There was some; it would be better, if anything, and we have not had an opportunity yet to do this for 1968.

But there has been, I think, and I think Mr. Hunter can confirm this, a very close co-operation with and quite a bit of help from the Department officials in this, and the number of native employees has not increased perhaps as rapidly as we would have liked, but you must remember that we operate in the same season up there when everybody else is hiring. If you have read this report it indicates that we have had difficulty in trying to interest the native population, perhaps due to the standard of education and so forth, in becoming navigators, mates and engineers. I am not too sure; I would like to have Mr. Hunter, perhaps, comment a bit on that.

• 1255

Mr. Hunter: Well, I think as you have said we have not had too much success, particularly along the Mackenzie, in establishing this phase of it, but this year at Tuktoyaktuk—I just ran off a quick figure before I left—47 per cent of our total employees were local employees. Probably it is one of the better areas, as Mr. Orange has mentioned, because of the fact that it is a little bit isolated. So far there are no liquor outlets and this is a big factor.

However, we still have difficulties. This year when our Arctic vessel got in to make its last trip the skipper had to go ashore and coax the deckhands to come back. They felt that was the end of the season and it was close enough and they were not anxious to go any farther; however, they did come back.

We have had fairly good success in hiring off-loading crews. I think we changed our operation a bit in the Arctic this year. We were able to drop barges at Coppermine and Cambridge, and some of these places, and had a local roving agent that would hire the local people to off-load during the absence of the vessel. This has worked out quite well and has been recommended again for next year.

The program that was instigated for sending some of the native people from the North out to Vancouver has not worked out too well as far as we are concerned. The three categories that I recall are instruction in deck work,

instruction in the engine room and instruction of boat building. The boat building instruction was conducted in wood and is not really suitable for our operations which involve steel equipment.

We hired a number of these other people and I do not believe one of them actually stayed for the season. We started some of them off; we will likely be starting them off again next spring on the same basis.

Mr. Orange: Does the Department have any program whereby it assigns one of its officers to work with you so that when the situation of a young man's deciding to go back to Fort Providence or some place arises he can be counselled, he can be talked with?

Mr. Hunter: Yes, I think they have combined the operation, actually, under Manpower, and I know that at Hay River, for instance, we had very good co-operation. When we would ask him for a replacement he would check Fort Providence and Fort Smith. One thing we did find was that we had very good results from the students from the Fort Smith area. We feel that they are taking an interest in it.

Mr. Orange: In effect, there really is no one either from Manpower or Indian Affairs who has the specific responsibility that when you lose a man to at least talk to this guy and find out what is bugging him. I do not think it is your responsibility.

Mr. Hunter: No, but I was under the impression that they are trying to find out now what bothers them and set this up for future correction, if possible.

Mr. Orlikow: Mr. Chairman, I think the question which Mr. Orange raised is a very important one, and to look at these different places, of course, it is not always easy to know how much work there was.

For example, I am looking at the sheet that starts with Hay River and some people worked—well, here is one man who worked three and a half months and there are other people who worked 2 days, 3 days and 5 days. A person who only works two or three days if there is more work—it is really of not much use, Mr. Chairman. He does not make enough money so he can get off welfare, and it seems to me that in the light of the particular problems with these people it would be worth while if either Manpower or the Department or somebody had some community development people who could work with these people to try encourage a much more...

• 1300

The Chairman: Mr. Orlikow, probably Mr. MacDonald could answer that question if he were here. Can you answer it, Mr. Hunter?

Mr. Hunter: No, I would like to add just a comment to it, though. While you say they have only worked two days, it may be chap's own fault. We have work available there for anywhere from five to six months.

Mr. Orlikow: I am not being critical of you. Precisely the point I am trying to make is that very often, as I understand it, there are people who have not worked before. They do not know our work habits, they do not know our work customs, they do not know that you have to come to work every day.

Mr. Hunter: You are quite correct.

Mr. Orlikow: I am suggesting that somebody—not necessarily from your company which has the job of moving all this freight—possibly from the Manpower Department who has had experience in working with native people should be there to encourage much more permanent work.

On the last page for example, Mr. Chairman, you get down not to days of work—this is Fort McPherson and it may be a very quick operation such as one unloading. I do not know—but really, if a person works two and three hours and that is all, what is the purpose? As I, say maybe the boat just docked there once and they unloaded.

Mr. Hunter: The tonnage going into Fort McPherson is very small compared with a number of these other places. However, this was a complete analysis of natives and residents employed at these various places. Sometimes we had no more work available for them.

Mr. Orlikow: If that is the case it is an entirely different situation than that at Hay River where there was a lot of work. It seems to me, Mr. Chairman, that we should try to encourage as much permanent employment as possible so that people can live as a result without going on welfare.

Mr. Gilchrist: Mr. Chairman, I would like to add a statement here. This is outside this particular area but I think it is relevant to what you are saying. What I am really

demonstrating here is that the process of these people actually developing to the point where they can and are able and willing to take permanent jobs is increasing, but it is slow. I think you bring out even a greater effort and perhaps the results would actually be better if there were, shall we say, greater numbers of social workers in the area to do just exactly what you are suggesting. We cannot really do it because it is a full-time job. You have to get to know these people, their habits, their views and their whole psychological approach to industry as it is now developed, and appreciate the fantastic change which must come about between their existence of 20 years ago and what their existence is going to be if they are employed in an industrial complex. By the way, this is of interest to me because my father was a farming instructor and an Indian agent in Saskatchewan for 20 years.

• 1305

The Chairman: Mr. O'Connell indicated earlier that he wanted to ask a question.

Mr. O'Connell: Mr. Chairman, I notice the hour and I have about four questions. I think these questions will receive short answers. If you like, I will ask them all.

The Chairman: Mr. Simpson also indicated that he had a question which he wanted to ask. Perhaps if Mr. Simpson could ask his supplementary you could leave yours until later.

Mr. O'Connell: Well, Mr. Simpson, you go ahead.

Mr. Simpson: Part of my question has already been answered by Mr. Gilchrist. It is in relation to these very large numbers of employees who have worked a very short period of time. You mentioned certain clean-up jobs in the spring and I suppose there are some in the fall. I do not know the operation to any extent but I suppose there is the work in the fall of putting the ships up on shore, or whatever is done with them. Would it be fair to say that a goodly proportion of those people whose employment is shown merely in hours would be on this type of work? This is probably difficult to answer but....

Mr. W. B. Hunter (General Manager of NTCL, Edmonton): No, I can answer. It is mainly where you pull in with a few tons for off-loading at this point, and they are hired locally to do this work in conjunction with the deck crew. That is mainly the small-hour jobs.

Mr. Simpson: The general picture does not show that a great percentage of the native people that you hire only work that long regardless of whether work is available or not.

Mr. Hunter: The only place we can get a complete picture of this is Waterways, Hay River and Tuk, because they are terminal points where you have steady employment for them if they are willing to stay.

Mr. Gilchrist: I think your question was that it does not indicate unreliability completely. No.

Mr. Simpson: No. One further question in regard to employment of people from the North. I notice you mention that it is sometimes difficult to get them to go to the West Coast to build up further hours in relation to becoming a first mate. What liaison has the Northern Transportation Company with shipping outfits, for instance, at Vancouver, or do you have any? Have you places that you can automatically put these employees into?

Mr. Hunter: No. As it is also mentioned in there, the unlicenced personnel come under the SIU. They are members of the SIU so they could go through the hiring halls out there. We have no liaison because we would have no control over putting them on.

Mr. O'Connell: Mr. Chairman, the first question I would like to put is this. I have noticed that the Northern Transportation Company—and this is absolutely new to me—is pretty largely confined to water transport, and I wanted to ask if in view of the development of the Mackenzie and the Yellowknife highways your transportation company, which is a common carrier, is prepared to or has considered going into road transport to provide greater service to the communities in that area?

Mr. Gilchrist: That is now under really active consideration.

Mr. O'Connell: I am glad to hear that because I notice yo uare i na nextremely strong financial position. I do not know whether to congratulate you on that or to ask whether it is partly related to services not yet extended. One does not find balance sheets that look much better than this.

Mr. St. Pierre: Mr. Chairman, a supplementary to this while we are on the point. Are you considering going into ice road construction—that is, snow roads—of six to eight weeks duration?

Mr. Gilchrist: If we went into surface—that is, land transportation—trucking I think going into ice roads, and so forth, would actually be a spin-off from that, depending on the circumstances.

• 1310

Mr. O'Connell: That was really my second question. What kinds of winter service are being supplied? I ask that question for the same reason I think that Mr. St. Pierre asked it. I assume it is to give a more continuous service to communities and also to provide another opportunity for employment to the native people, which might tend to stabilize their relationships with the company. I would be very interested in knowing whether you have track vehicles, and that sort of thing. For example, on Great Slave Lake you are servicing seven or eight communities in the summer by water. I wonder what sort of transportation services those communities have in the winter and whether it is feasible for this company to extend it to them.

I also have a question on housing. I notice that you have set aside some capital expenditures for housing improvement. I think it suggests they are at Tuk. It is not too clear. I wonder just how you fit into housing. How many native people are involved in the housing you provide and also whether in the installations at Tuk, where you say you have provided some housing, any native people were expropriated or were required to move when your installations were put in there.

Mr. Gilchrist: No. No one was required to move at Tuk when we put the installation in there.

Mr. O'Connell: Right. I would like to extend my questions a bit on the housing, but I will leave it for the time being. The other point is the same point I made in connection with Northern Canada Power Commission. Looking at the board of directors and asking myself whether a different composition of the board might be appropriate in the sense that this is a public...

The Chairman: Is that the latest one?

Mr. O'Connell: Yes. I have it right in front of me. There are eight members of the board. They are largely drawn from the industrial side of the public. There is the iron ore company in Eldorado, which is perfectly understandable. There is a man who is retired in Victoria, B.C. There is a legal man in Edmonton, which I think is very proper. There is one representative of the Northwest Territories and there is a member of a mining exploration company. When one looks at the source of revenues which are provided in the brief that we received this morning one finds that 56 per cent of revenues come from the public, as it is described here, 18 per cent is provided by Eldorado, 15 per cent by the DEW Line and 11 per cent by government departments. It just seemed to me that, one, from the viewpoint of bringing the public generally into the picture more with respect to potential services that might be developed and, two, from the very fact that the public is providing such a large share of the revenues, and this being a Crown corporation, I think it would be appropriate if we perhaps saw more members from the public generally and perhaps they could be nominated by the Northwest Territories Council. I would like to suggest in that context that one of the added directors—if indeed they are added—is a native person, perhaps an Eskimo. There are precedents for that in other utility systems in the country and surely that person would have some counsel to give to the Board with respect to native employment and the provision of services to native communities and the public in general, and it would recognize the position of the native population in the public being served.

• 1315

Mr. Gilchrist: Yes, I would suggest, if I may, that the Cabinet through the minister—in this case the Minister of Indian Affairs and Northern Development—have sole responsibility for the appointment of the directors. Your suggestion is very well taken; I think it is quite constructive. Now that we have reached this particular stage in our development, when the opportunity arises I would suggest that you discuss that with the Minister.

The Chairman: I will ask the Clerk to make a note of this, Mr. O'Connell, so that at one of our subsequent Steering Committee meetings we can, perhaps, formulate a recommenda-

tion and then bring it back to the Committee later. Mr. O'Connell, I think you have more questions.

Mr. O'Connell: No, I am finished, but I do not know whether I got all my answers.

The Chairman: Mr. Smerchanski and Mr. St. Pierre are both on my list here.

Mr. Gilchrist: I do not think you got the answer regarding housing.

Mr. O'Connell: Or the winter transport.

Mr. Gilchrist: The winter transport, yes. Well, the winter transport cost would be prohibitive in the movement to those small communities in winter. It would be better to do it, and it is being done, by plane. Again, this matter of ground transportation is being very closely and very actively considered as far as an added activity for Northern Transportation.

As to housing, we have no native housing except as provided for natives in the, shall we say, single-man quarters—bunkhouses and so forth. We are providing housing for our agents and for our senior supervisors, actually, at various points because the agents, for instance, are in there for five to six months at a time. To keep our people, we now take their families in for that time; so we are providing that kind of accommodation and we, of course, provide bunkhouse accommodation and the native is accommodated there when he is out in the field unless he has his own home locally.

Mr. O'Connell: Do you provide the capital funds, or does Central Mortgage and Housing Corporation provide them?

Mr. Gilchrist: We provide the capital funds. We have found in trying to deal with Central Mortgage and Housing on this, that we are further ahead to do it ourselves.

The Chairman: A supplementary, Mr. Simpson?

Mr. Simpson: Mr. Chairman, far be it from me to suggest that we should stop our questioning, but I do not think we are going to get through with this today. In view of the fact that Dr. Yewchuk indicated that he had some interesting...

The Chairman: I am hoping that perhaps we could get through the item.

Mr. Smerchanski: My question is very short. I would like to find out roughly what percentage of freight is handled from Waterways to Hay River as compared from Hay River to the mouth of the Mackenzie.

Mr. Hunter: I do not quite get your question.

Mr. Smerchanski: In other words, the amount of volume you move from Waterways up to the Hay River and then what originates at Hay River up to the mouth of the Mackenzie.

Mr. Hunter: We do not move any from Waterways to Hay River *per se*. Waterways supplies the Lake Athabasca area on the south, and Hay River supplies from Great Slave Lake north.

Mr. Smerchanski: So, in other words, material taken up into the mouth of the Mackenzie originates in Hay River.

Mr. Hunter: That is right.

Mr. Smerchanski: What percentage of your total operation, in terms of the tonnages as projected—200,000 for 1968—is represented from Waterways up into the lower portion?

Mr. Hunter: Fifty thousand tons, about 25 per cent, and out of the balance approximately another 25 to 30 per cent originates at Norman Wells from oil products.

Mr. Smerchanski: I see.

Mr. Cullen: Excuse me, Mr. Chairman. Again, I am with Mr. Simpson here, but if Dr. Yewchuk has questions then obviously Mr. Smerchanski—I do not know whether Mr. Peters has any—are we going to have to come back? I do not want to cut it off either but...

Mr. Smerchanski: Mr. Chairman, I am wrapping it up. The other thing is that I simply want to compliment Northern Transportation for the excellent work they are doing in that area. I only wish that all other Crown company operations could equal the same kind of financial statement and the reputation they have built up in that section of the country.

• 1320

The Chairman: I wonder if I could have the feeling of the Committee on this now. Would you be prepared to come back tomorrow morning at 9.30 for a meeting?

Mr. St. Pierre: How many more questioners are there?

The Chairman: Well, we have you on the list, Mr. St. Pierre, and Mr. Yewchuk indicated he had a question; I do not know if he really did indicate that he had a question.

Mr. Smerchanski: No he did not. He said that he was annoyed because he did not get an opportunity to study the brief because of the shortness of delivery.

Mr. Simpson: A feeling which is corroborated by others. I felt that we would like to have some time to look it over and I felt that there would probably be further questioning. I did not think we were going to get through today.

The Chairman: I did not either, at the start.

Mr. Smerchanski: With a small amount of questioning, I think we can wind it up, and why put all these gentlemen to the trouble of coming back tomorrow?

The Chairman: I will leave it to the opposition here, Mr. Simpson and Mr. Peters, if they want to come back tomorrow or if they want to come back at another meeting. I will leave it to you people.

Mr. Simpson: I am wondering whether it would not be convenient to have these gentlemen back again at some other time, later on in our Committee meetings, or is that possible? We are going to have the Northern Power Commission people back later on.

The Chairman: Well, we are running into a time problem.

Mr. Smerchanski: Mr. Chairman, as a suggestion, why not leave this to be decided at our next Committee meeting? If the feeling of the majority of the members varies that we should have these people back, why not make a decision at that time?

Mr. Simpson: That is fine with me.

Mr. St. Pierre: May I have a few minutes, Mr. Chairman?

The Chairman: All right.

Mr. St. Pierre: I do not think it will take any longer than that. Mr. Gilchrist, in regard to the vital importance of getting as many days in your season as you can, there are some very interesting experiments going on in new developments in ice-breaking equipment. There was one which went into the Eastern Arctic mounted on the front of a barge about two or three months ago which appears to be working, and there are other experiments scheduled for this fall. Are you interested in this? Have you been following it and can you tell the Committee about it?

Mr. Gilchrist: We have been following it. We are not financially interested in it, but I have had many discussions with Scott-Alexander who is at the head of this thing, and also with some of the officials of the company that is now taking over—I think it is known as Panarctic. From our particular operation, at its present stage of development it might not be too applicable as far as we are concerned; but I think it has possibility.

By the way, the amount of actual work that has been done on ice research is minimal. It is just now that they have really got into it, where not too much had been done in the past. This Alexbow development is an extremely interesting one. From the viewpoint of the engineering involved, it is sound. It is a new concept, actually, as you well know, of handling ice. In other words, you lift it up instead of trying to climb over it. From this point of view I think it is extremely attractive, but to work it into our operation at the moment, I think there have to be refinements and much more work done on it.

Mr. St. Pierre: Thank you, Mr. Chairman.

Mr. Peters: Could I ask one supplementary?

The Chairman: Yes.

Mr. Peters: Who services the DEW line, and how?

Mr. Gilchrist: We service the water, anything that is moved by water, in the midsection from the Alaska-Yukon border to the peninsula at Shepherd Bay. We do that right across the central part.

Mr. Peters: That is not all on water, though.

Mr. Gilchrist: Practically all the stations in that area are within three or four miles of water.

The Chairman: Gentlemen, I would like to point out one other fact to the Committee. One or two of our guests here today are from the West; Mr. Hunter is. Perhaps if we can-

not agree to pass the item today, we could agree that if we call the witnesses back, we will have only Mr. Gilchrist.

• 1325

Mr. Simpson: I certainly do not want to have to call people back unnecessarily. I think one point that Mr. Gilchrist made was that one of the big things facing the company at this time is the provision of this ocean-going vessel and I am sure that I would have a few questions of interest to ask on that, and I thought that possibly many others would because this is an expenditure of some $6 or $8 million.

Mr. Gilchrist: Well, now, this will only involve about $2,500,000, and I might state at this time that that particular part of our submission is pretty well a reproduction of the memorandum to Cabinet that we made at that time. I mention in there the fact that our decision regarding the ocean-going vessel might be subject to change due to the developments in the oil. And that has come about, so we are almost certain now that we will not be going for the ocean-going vessel as conceived at that moment. It will be an ocean-going tug which will be a replica, or similar to, almost the same as the two we are now building which are capable of some deepwater work, because the centre of gravity of the activity, shall we say, is going to be at the mouth of the Mackenzie and to the east. If we have a vessel that can relieve to some extent the work to the east of the Mackenzie and at the same time operate on the river and to the west of the Mackenzie, I think we can provide a more efficient service rather than going for a deepwater vessel as we conceived it at that moment. This is our thinking. The cost will not be much different because we will be building barges as well.

Mr. Simpson: Am I correct in assuming that you service a copper mine down the coast?

Mr. Gilchrist: Yes.

Mr. Simpson: Would this be similar to the type of vessel that you use on that operation? Are these things transshipped, say, at Tuktoyaktuk?

Mr. Gilchrist: There is a transfer of freight at Tuktoyaktuk as it stands now for quite a proportion of the freight going to the east because we are in deep-water conditions and we have a broad route there. We also have the LST which is on loan from the U.S. Navy.

But we are finding now as we develop, just as Mr. Hunter has explained, that a barge system with towing barges and tugs may be the best because we can drop the barge, it can be unloaded, and if you have two or three with you, you can go on and that barge is being unloaded while you are delivering another one or perhaps picking up an empty at another point; whereas if you have the complete vessel as in the case of the *Broderick* and the *Banksland* that we have now, your whole crew, your whole power unit is tied up while the loading and unloading are taking place.

If you can drop your barge and go on with your moving and delivering of freight, you are getting a greater utility out of your actual power unit.

This is changing our thinking and we want a unit, as these two tugs that we are now building, that can work to quite an extent in deep water under ocean conditions and also in the shallow waters near the shore and in the river.

The Chairman: Shall we try to pass the item or not?

Mr. Simpson: In view of the fact that I understand the steering committee is going to give consideration to the very good suggestion of Mr. MacDonald's about composition of the board, I would suggest that if we do not complete it today we do so with the understanding that we will not require people to come back to Ottawa. We would like to have Mr. Gilchrist come before us again on this subject, though, and we could keep it open for that.

The Chairman: All right, fine. It is agreeable to the Committee that we stand it?

Some hon. Members: Agreed.

The Chairman: Do we have a motion to adjourn until next Thursday at 11 o'clock?

Some hon. Members: Agreed.

APPENDIX B

I—COMPARISON OF REVENUE AND FUEL COSTS FOR THE YEAR 1965-1966

Location	Capacity	KWH Gen. × 1000	KWH Sold × 1000	Revenue $	Fuel Cost ¢/KWH Gen.	Revenue ¢/KWH Sold
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	56,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

APPENDIX C

II—RATE COMPARISON
(Small Diesel Plants)

	Monthly Bill				
	25 KWH	50 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$
Residential					
Fort Resolution (NCPC)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (Canadian Utilities, Ltd)	3.50	6.40	10.40	14.40	24.40
Haines Junction-Teslin—Destruction Bay-Beaver Creek (Yukon Electrical)	4.00	7.40	12.40	17.40	30.40
Wabasca (Northland Utilities Ltd.)	3.50	6.40	10.40	14.40	24.40

	Monthly Bill		
	200 KWH	400 KWH	800 KWH
	$	$	$
Commercial (4 KWH Load)			
Fort Resolution (NCPC)	32.40	64.40	128.40
Fort Chipewyan (Canadian Utilities, Ltd)	24.00	40.00	72.00
Haines Junction-Teslin—Destruction Bay-Beaver Creek (Yukon Electrical)	28.50	48.50	80.50
Wabasca (Northland Utilities Limited)	24.00	40.00	72.00

APPENDIX D

MONTHLY RATE SCHEDULES

Fort Simpson—Residential:

1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 8.88¢
Over 75 KWH at 5.55¢
Discount 10% for p.p.

General Service:

1 to 20 KWH at $3.33 (min)
Over 20 KWH at 8.88¢
Discount 10% for p.p.

Forth Smith—Residential:

1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 6.0¢
76 to 200 KWH at 3.33¢
201 to 500 KWH at 2.22¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

General Service:

1 to 20 KWH at $3.33 (min)
21 to 100 KWH at 6.0¢
101 to 500 KWH at 4.44¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

Yellowknife—Residential:

First 25 KWH at 1.25
Next 25 KWH at 4.2¢
Next 50 KWH at 2.4¢
All over 100 at 1.7¢
Min. $2.00

Commercial:

D.C. each .5 KW at $1.75
25 KWH/.5 KW included in D.C.
Next 50 KWH/.5 KW at 3.0¢
Next 7500 KWH at 2.7¢
Excess 2.3¢

Water heating (separate meter)

All KWH used at 1.3¢/KWH
Min. charge $2.00

Power:

D.C. $1.00 per KW
Up to 20,000KWH at 3.75¢
Excess KWH at 2.75¢

Hay River—Residential, Rate 115:

First 10 KWH $2.50 (min)
Next 20 KWH at 8.0¢
Next 50 KWH at 6.0¢
Excess KWH at 4.0¢

General Service Rate 206:

D.C. first KW at $2.00 add'l at 50¢
First 50 KWH/KW at 10.0¢
Next 50 KWH/KW at 7.0¢
Excess KWH ar 5.0¢
Min $3.50

Gen. Serv. Over 20 KW Rate 331:

D.C. each KW at $2.00
First 100 KWH/KW at 5.25¢
Next 200 KWH/KW at 4.25¢
Excess KWH used at 3.25¢

General Service Rate 210:

D.C. $1.00/KW
First 30 KWH/KW at 8.0¢
Next 30 KWH/KW at 6.0¢
Next 40 KWH/KW at 5.0¢
Excess KWH at 4.0¢

APPENDIX E

December 28, 1967.

COMPARISON OF HAY RIVER RATES WITH OTHER NORTH COMMUNITIES

	10 KWH	25 KWH	55 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$	$
Residential						
Hay River	2.50	3.70	5.60	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

General Service		H. River	Ft. Simp.	Ft. Smith	Y'Knife	W.H.
		$	$	$	$	$
Load	KWH					
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

APPENDIX F

DAWSON CITY

Y. E. Co. Proposed Rates Residential	N.C.P.C. Existing Rates Residential	Watson Lake Rates Residential
First 40 KWH at 12.0¢/KWH Next 160 KWH at 8.0¢/KWH Next 400 KWH at 6.0¢/KWH Excess KWH at 4.0¢/KWH Minimum $2.50	First 10 KWH at 20¢/KWH Next 90 KWH at 12¢/KWH Next 100 KWH at 10¢/KWH Excess KWH at 6¢/KWH Minimum $2.00	First 40 KWH at 8.0¢/KWH Next 160 KWH at 6.0¢/KWH Next 400 KWH at 4.0¢/KWH Excess KWH at 3.5¢/KWH Minimum $2.50
Commercial and General Service Demand Charge	**Commercial and General**	**Commercial and General Demand Charge**
First 1 KW—$1.50 Add'l. KW—$ .50	Nil	First 1 KW—$1.50 Add'l. KW—$ .50
Energy Charge	**Energy Charge**	**Energy Charge**
First 50 KWH/KW used–12.0¢/KWH Next 50 KWH/KW used–10 ¢/KWH Excess KWH/KW used– 6.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50	First 20 KWH at 20.0¢/KWH Next 80 KWH at 15.0¢/KWH Next 200 KWH at 12.0¢/KWH Next 700 KWH at 10.0¢/KWH Excess KWH at 8.0¢/KWH *Minimum*—$4.00	First 50 KWH/KW at 12.0¢/KWH Next 200 KWH/KW at 10.0¢/KWH Excess KWH at 5.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50

APPENDIX G

A MEMORANDUM ON NORTHERN TRANSPORTATION CO. LTD.

ORIGIN AND CORPORATE STRUCTURE

Northern Transportation Company Limited was not created by the Canadian Government. It began as a small private enterprise Company in 1931; was acquired by Eldorado Gold Mines Limited (now Eldorado Nuclear Limited) in 1936 to assure continuing service for that Company's mine on Great Bear Lake. It has always operated as a common carrier. When Eldorado was expropriated in 1944, the shares of NTCL were among the assets acquired, and in 1949 the Company in its own right was declared to be a Crown Company, i.e., one to which the Government Companies Operation Act applied. As a proprietary corporation listed in the Financial Administration Act, NTCL is a Company which is "responsible for the management of commercial and industrial operations involving the—supplying of services to the public and which is ordinarily required to conduct its operations without appropriations".

The Company's Board of Directors is as follows:

W. J. Bennett, President, Iron Ore Company of Canada, Montreal, P..Q

A. B. Caywood, Retired, Victoria, B.C.

C. S. Cosulich, President, Rivtow Marine Limited, Vancouver, B.C.

W. M. Gilchrist, President, Eldorado, Ottawa, Ontario

W. B. Hunter, General Manager of NTCL, Edmonton

P. L. P. Macdonnell, partner in the legal firm of Milner & Steer, Edmonton, Alberta

J. H. Parker, Deputy Commissioner of the Northwest Territories, Yellowknife, N.W.T.

M. Watts, President, PCE Explorations Limited, Toronto, Ontario.

Board meetings are held on average four times a year. Capital expenditure budgets are laid before Parliament after approval by Privy Council.

Officers of the Company are:

W. M. Gilchrist—President
R. C. Powell—Secretary
J. C. Orr—Treasurer
W. B. Hunter—General Manager

It is the practice of the President to confer with the responsible Minister of Indian Affairs and Northern Development, on matters of major policy prior to their consideration by the Board, and a minute of each Board meeting is submitted to the Minister.

The Auditor-General performs the audit of the Company's records. An Annual Report is issued by March 31st of each year. All of the Company's issued shares are owned by Eldorado Nuclear Limited, whose shares in turn are held by a Minister of the Crown in Trust for Her Majesty in Right of Canada.

SERVICE PROVIDED BY NTCL AND HOW THESE SERVICES ARE PERFORMED

NTCL serves the entire length of the Mackenzie River system from Waterways, Alberta to Tuktoyaktuk on the Arctic coast, a distance of 1,700 miles as well as about 1,100 miles of branch routes, including Great Bear Lake, Great Slave Lake (Yellowknife) and Lake Athabasca (Uranium City). It also serves the Central Artic coast east and west of the mouth of the Mackenzie River and the lower Arctic islands.

In 1957 at the request of the Hudsons's Bay Company, NTCL took over the Mackenzie River operations of that Company. Under the same circumstances, NTCL took over the HBC Western Arctic operations in 1963. In 1965 following negotiations initiated by Yellowknife Transportation Company Limited which operated on the lower Mackenzie, and by Arctic Shipping Limited which operated in the Western Arctic, NTCL purchased these companies and integrated the operations. NTCL is now the only operator providing any significant service to the public in the areas described above. NTCL's Mackenzie Valley operations are subject to the rules and regulations of the Canadian Transportation Commission.

Apart from its purely commercial operation, NTCL has since 1955 provided an "at cost" service in the Arctic between the Alaska border and Spence Bay, in resupplying DEW Line sites pursuant to an agreement

between the Governments of Canada and the United States of America.

NTCL has permanent shore installations and agencies at Waterways and Fort Fitzgerald, Alberta; Bell Rock (Fort Smith), Hay River, Yellowknife, Bear River, Norman Wells, Inuvik and Tuktoyaktuk in the Northwest Territories; and Bushell in Saskatchewan to serve the Uranium City area. The Company has its administrative offices in Edmonton and its Head Office in Ottawa.

In the 1969 season, including 2 tugs and 12 barges now on order, the floating equipment will consist of 19 diesel powered steel tugs, 120 steel barges and 3 deep-sea vessels. Capital expenditures totalling more than $19 million have been made in the past 21 years, all financed out of earnings.

The Company has made a profit of 22 of the 25 years of Crown ownership. Its total profit after provision for income tax has been $2.2 million over the past 9 years since 1960, an average per year of $244,000. Gross revenues since 1960 have average $3,534,889 per year, including the 1968 estimated revenue of $5.5 million, the highest in history. The distribution of revenues has been opproximately as follows:

Eldorado freight	18%
Government Departments	11%
The public	56%
DEW Line	15%

There are geographical and climatic conditions which NTCL must meet which make the operation unique in North America.

NTCL must, in effect, maintain two sets of equipment in the Mackenzie System because the rapids at Fort Smith prevent interchange of vessels between the Lower and Upper sectors of the system. Also, one vessel is permanently confined to Great Bear Lake because it cannot be taken out through the rapids of the Bear River.

Wide variance in water levels, ice, violent storms on the lakes, and other conditions make it necessary to have vessels of special design. Sometimes low water levels reduce cargo-carrying capacity by as much as 65%.

NTCL contends with severe climatic handicaps, operating exclusively in an area between the 55th and 70th latitudes. As a rule, shipping out of Waterways does not begin before mid-May and out of Hay River before mid-June; Lake Athabasca seldom can be crossed before June 1; Great Slave before mid-June; and Great Bear before mid-July. Freeze-up usually closes navigation on Great Bear and the Lower Mackenzie late in September, and on the Slave and Athabasca Rivers between Oct. 1-15.

EMPLOYMENT PRACTICES AND PAYROLLS

It has long been the policy of NTCL to give preference—to the maximum degree that it is practical—in employment of persons resident in the areas it serves. There are several limiting factors, not the least of which is that during the relatively brief shipping season there is often a shortage of suitable personnel in the North. Many of the crew members, administrative personnel, those who repair ships, and men with specialized trades, have to be brought in, in most instances.

Employment statistics show the number of employees at the peak of operations in each year, with those engaged in Arctic operations included in the totals but indicate in brackets:

	Employees at Peak	Total Payroll
1960	545 (150)	$ 1,670,806
1961	440 (163)	1,485,887
1962	410 (152)	1,392,484
1963	440 (149)	1,528,229
1964	450 (150)	1,693,112
1965	530 (167)	2,086,111
1966	540 (152)	2,183,912
1967	490 (150)	2,032,130

Licensed personnel on NTCL vessels are represented by the Canadian Merchant Service Guild.

Unlicensed personnel except in the Arctic operation, and apart from casual labour, are represented by the Seafarers' International Union.

A separate presentation accompanying this Memorandum deals with NTCL's practices in the employment of local labour.

THE FUTURE—INCREASING TONNAGES, THE EQUIPMENT REQUIRED, AND HOW TO FINANCE IT.

(See separate memorandum attached)

THE NEED FOR A SHORT-TERM $6 MILLION LOAN FROM THE CONSOLIDATED REVENUE FUND, BASED UPON A PROTECTION OF INCREASED TONNAGES TO BE HANDLED

BACKGROUND

1. Northern Transportation Company Limited is the only organization operating a water

transportation system on the Mackenzie River system and along the Central Arctic coast and to the lower Arctic islands on a regular basis, and which is presently capable of providing the water transportation capacity required.

2. There has been a gradual and continuing increase in the quantities of basic goods such as fuel oil, building materials, etc., transported annually, and a further increase due to oil and other mineral exploration and development has been expected, and some reserve capacity provided; however, the impetus given to oil exploration in the area by the recent discovery of large oil pools on the north coast of Alaska has increased activity far beyond that which could be normally foreseen, and the 25% reserve capacity that existed at the beginning of 1968 has been utilized to the full and a further large increase in tonnage is expected in 1969.

3. In relation to the total volume of goods moved in Canada, the tonnage shipped over the Mackenzie water system has been and is small, but it is vital to a large part of the Canadian North and the north coast of Alaska. The part played by the money invested in Northern Transportation Company Limited is therefore proportionately of much greater importance to the Canadian economy as a whole than the actual number of dollars involved would indicate.

GENERAL CONSIDERATIONS

1 The area service, as noted, is the Mackenzie River and tributaries, the Central Arctic coast east and west of the mouth of the Mackenzie River, and the lower Arctic islands.

2. The vessels and craft operated must, to some extent, have both shallow and deep water capacity, since the depth of the water in the river system is subject to wide variations during the shipping season, and to the west of the Mackenzie delta operations must take place in the shallow water between the pack ice and the shore, and to the east of the delta the shipping routes are in relatively deep water and seagoing conditions prevail. Ships and barges can be designed that, within certain limitations, are capable of performing under both these conditions, but the emphasis in the immediate future will trend towards shallow water operation, as it is in these areas that most of the oil exploration is now taking place.

3. Preliminary estimates indicate that over the area with which Northern Transportation Company Limited is concerned, at least 265,000 tons will move by water in 1969, as against 210,000 in 1968, and that there will be a further increase in the following years.

4. Since the least expensive transportation route to the Alaskan development is down the Mackenzie River, these discoveries are extremely important to the organizations in western Canada that are supplying the oil exploration and development activities in the Prairie Provinces, British Columbia and the Territories, as they will have a total cost advantage over other possible suppliers provided the transportation system is reliable and has the required capacity.

5. Provision of sufficient capacity for 1969, plus an adequate reserve, will require the immediate start on construction of equipment that will add at least 100,000 tons of capacity to the existing capability of a little over 200,000 tons. Due to the time required for construction and commissioning, all this new capacity cannot be available for the entire 1969 season, but will be fully operative by the end of the year's activity.

6. By 1970 additional deep water equipment will be needed for service east of the Mackenzie delta. This will take the form of an ocean-going ship, construction of which will have to start in 1968.

7. The tugs and barges will be assembled and launched on the upper end of the Mackenzie River system, but the ocean-going vessel will have to be taken in by way of the Bering Sea and Point Barrow.

FINANCIAL CONSIDERATIONS

1. Northern Transportation Company Limited has no debt, and possesses liquid capital assets large enough to meet operating needs, but there is insufficient capital on hand to cover the expenditures contemplated, and authority to borrow will have to be provided.

2. A very rough estimate indicates that the required new floating equipment, new shore installations, and the up-grading of existing equipment to provide the additional 100,000 tons of capacity, which will be required by the end of the 1969 season, will demand capital expenditures of approximately $8 million by July 31, 1969.

3. Cash flow or the difference between gross revenue and operating expenditure will pro-

vide $1.8 million in 1968 and is estimated at $3.3 million for 1969, and could increase in 1970 and the following years. The possibility of its dropping below the 1969 figure, at least during the next five years, is slight. About $1 million of the 1968 cash flow will be required for the 1968 capital budget.

4. Approximately $1 million will have to be spent on the new programme in 1968. This can be provided out of Company resources, by using on a temporary basis the operating capital, but additional funds will have to be provided early in 1969. The amount required to be borrowed will reach a maximum of $6 million by July 1969. The cash flow of 1969 will not have much effect on the total borrowing, as the expenditures will have to be made before revenues develop, but it does affect the length of the period for which the maximum loan will be required.

5. A preliminary estimate indicates that the cost of the ship for service in the Arctic area east of the Mackenzie delta will be approximately $2½ million, therefore the foreseeable capital expenditures that will have to be approved and undertaken by the end of 1969 now total in excess of $10 million, and could be more if new oil discoveries are made within the next year.

6. The estimate of the cash flow, which is believed to be conservative, indicates that the $6 million loan can be handled with ease.

COMMENT ON THE ATTACHED REPORT CONCERNING EMPLOYMENT OF NATIVES BY NORTHERN TRANSPORTATION COMPANY LIMITED

The attached is an analysis of the employment of natives by Northern Transportation Company Limited in the 1966 shipping season. It was not deemed necessary to make a similar analysis for 1967, as the situation had not changed materially, and the statistics for 1968 are not as yet complete, but again the change from 1966 is not expected to be great. However, this does not indicate that the Company is pessimistic regarding the use of native people as a source of both labour and candidates for senior positions.

The integration of the native population into a modern commercial organization is of necessity a very slow process and, particularly in senior positions, is directly related to the standard of education which, although improving, is still well below that of the white sector.

November 1, 1968

NORTHERN TRANSPORTATION COMPANY LIMITED

Date 31st January 1967

to Mr. H. E. Lake

from Mr. W. B. Hunter

With reference to the letter forwarded to Mr. Gilchrist from Deputy Minister Cote of the Department of Indian Affairs and Northern Development, we wish to advise as follows:

We are attaching a complete list of names and locations, occupations, period of time worked and remarks as to their termination for all local employees hired in the Northwest Territories during 1966.

We have noted that the Federal Government is endeavouring to train more northern residents to take care of the various jobs in the North. With reference to Paragraph 2; Northern Transportation has always tried to hire as many local people as could be utilized. In this regard we would like to point out that this applies particularly to all types of labour—including forklift operators and deckhands who might ultimately work up through the apprentice pilot, junior pilot and senior pilot ranks, or alternatively, through third mate, second mate, first mate to Captain. We might advise this has worked exceptionally well in the Athabasca section of our operations with the result that at the present time three of the four captains operating in that area are local residents and of Indian extraction. A couple of the mates are also in this category. We are sorry to advise, however, that our program has met with little success in the Mackenzie section.

For many years practically all of our deckhands came from along the Mackenzie. However, with the development of Hay River, the younger people do not seem to be interested in seasonal work on the river. As a matter of fact, we have none at the present time who appear to be working their way through to officer material.

It will be noted that all our success, where there has been any, has been with the deck department. It is apparent that while most of the local population seem to have a natural ability for river work and boat handling they have shown little interest in the engine room department.

A few years back a good many of the deckhands came from the Fort Providence and

Good Hope areas but in the last few years this does not seem to be the case and any that do sign up in the spring generally take off after approximately one month's work—or on the ship's return to Hay River.

We might also point out that we have had good success in the McMurray area over a number of years in training local personnel to handle forklifts, barge loaders and up to subforemen in charge of the warehouse. When steady employment with the Great Canadian Oil Sands came along a goodly number of them left due to the year round employment. Here again we do not seem to have had the same success in the Mackenzie area although we have only had two years of endeavouring to do this in the Hay River area.

We realize the problem is directly connected to the fact that ours is seasonal work and they do not seem to wish to put in the time to eventually better their position—particularly in the marine department. As you are probably aware, it takes considerable time on a boat as well as writing the necessary exams to become a first mate. The younger generation in the North appear dissatisfied with working four to five months a year to accumulate sufficient time; on the other hand, they do not appear to want to go out to the West Coast to accumulate additional time during the winter in order to accomplish the end.

We might advise that we have been extremely disappointed in the number of younger residents of the North who appear to be interested in a career on the river. No doubt some of them have ample education to complete their exams providing they were patient enough to accumulate the time.

With regard to labourers, forklift operators, checkers and others in this category, there are only three places at present where these are employed to any extent—Hay River, Inuvik and Tuktoyaktuk. The Tuktoyaktuk operating season is extremely short and, as a result, once an employee is taken on we have to be reasonably sure he will turn up for work every day as the turn around of vessels in this area is extremely important.

During the last three years in particular we have, from time to time, contacted the Placement Officers and we must say they have been most co-operative; however, here again their main concern has been, and should be, to place as many in permanent employment as possible. As a result it is quite evident that we are not getting what could be termed the best employees.

We feel, on our part, that we are making every effort to employ as many as possible in the Northwest Territories but we do have the big disadvantage of seasonal operations.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
COPPERMINE—CASUAL				
Anaktak, A.				19 hrs.
Angnaluak, M.				19½ hrs.
Elgok, B.				19½ hrs.
Gibson, P.				19 hrs.
Hatogina, D.				9½ hrs.
Himiak, J.				19½ hrs.
Kamilak, G.				19½ hrs.
Kapayok, B.				19½ hrs.
Kilgik, T.				8½ hrs.
Kitkolok, R.				8½ hrs.
Kokok, J.				9¾ hrs.
Kokok, T.				8½ hrs.
Lawrence, D.				8½ hrs.
Onipkak, J.				19½ hrs.
GJOA HAVEN AND SPENCE BAY				
Tomaluk, T.				14 hrs.
Sikknerk, B.				14 hrs.
Karshoon, H.				14 hrs.
Aksalik, L.				14 hsr.
Kikoot, J.				14 hrs.
Krekoot, P.				14 hrs.
Kamikmalik, P.				14 hrs.
Pootogo, M.				14 hrs.
Aoluk, S.				14 hrs.
Pugatark, I.				14 hrs.
Koonoonak, M.				14 hrs.
Kigiark, P.				14 hrs.
Akalook, S.				14 hrs.
Lyall, E.				15 hrs.
Tomaluk, P.				6½ hrs.
BAY CHIMO				
Kuasa, W., Kumak, A., Naniruok, J.				5 hrs. each
PERRY ISLAND				
Ivetalegak, J.				5½ hrs.
Tapeleisas, P.				5½ hrs.
Kouik, D.				5½ hrs.
HAY RIVER				
Bodvarson, S.	Carpenter	Nov.	Nov.	6 days
Bouvier, Ernest	Labourer	Mar. 1	July 9	4½ mos.
		Feb.	Feb.	14 days
Bouvier, Gabe	Senior Pilot	June 1	Oct. 31	5 mos.
Bouvier, Leonard	App. Deckhand	Aug. 15	Oct. 11	2 mos.
Buggins, Daniel	Deckhand	Sept. 5	Oct. 9	5 weeks
Buggins, Eric	"	Sept. 5	Oct. 9	10 weeks
Bussiere, Gilles	"	May 16	Oct. 11	5 mos.
Cochrane, Norman	Welder	April	May	1 mo.
Courtoreille, Ron	Watchman	Mar. 2	Nov. 30	9 mos.
DeLancey, James	Lab. Checker	July 2	Sept. 17	2½ mos.
Dimion, Sandy	Jr. Mate ex Wtys	May 1	Oct. 31	6 mos.
Gaudot, Michelle	2nd Engineer	Aug. 1	Oct. 9	2¼ mos.
Gill, Gordon	Mechanic	Mar. 10	Nov. 30	10 mos.
Jordonoff, Spiro	Carpenter	Mar. 1	July 12	4½ mos.
Kulhavy, Alder	Checker	Apr. 1	Dec. 31	9 mos.
Kuster, Frank	Oiler	Aug. 5	Oct. 11	2¼ mos.
Lambert, Donald	Forlift Operator	Feb. 1	July 9	6¼ mos.
Landry, Jerry	Pilot	June 1	Aug. 27	3 mos.
Loutit, George	Pilot	May 1	Oct. 31	6 mos.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	HAY RIVER—Continued			
Monkman, Perry	Labourer	Feb.	Aug. 1	6½ mos.
Monkman, Percy	Shipyard Foreman	Jan. 1	Dec. 31	12 mos.
Monkman, Thomas	Deckhand	May 9	July 6	2 mos.
Nendsa, Hans	Labourer	July		2 weeks
Olsen, Wm	Checker	April 18	June 21	2 mos.
Paul, Cliff	Elect. Helper	Feb. 18	Nov. 30	9½ mos.
Powder, Peter	Deckhand	May 10	May 21	2 weeks
Simpson, Ken	Captain	year round		12 mos.
Simpson, Pierre	Hvy. Eq. operator	Feb. 15	July 31	5½ mos.
Smith, Frank	Forklift Operator	May 10	Oct. 12	5 mos.
Todd, Tom	Deckhand	Aug. 26	Oct. 11	1½ mos.
	HAY RIVER—CASUAL			
Austfjord, J	Labourer	April		2 weeks
Buggins, Frank	"	May		3 days
Buggins, Herb	"	May		1 day
Camsell, Ernest	Shipyard Lab	June		1 mo.
Cassidy, Pat	Labourer	March		4 days
Desjarlais, Melch	"	April		4 days
Ducharme, Don	"	May 23	Sept. 3	3½ mos.
Gargan, Eddie	"	May		3 weeks
Hagen, Vernon	"	March 22	May 28	2¼ mos.
Hill, Norman	Forklift Operator	May		1 week
Jennings, Albert	Labourer	March 28	Apr. 11	2 weeks
King, Patrick	"	May		1 day
Kirouac, R	"	May		4 days
Kitigoh, Allen	"	April		12 days
Kolson, Ken	"	March		2 days
Lahiviere, Jonas	"	March 23	Apr. 15	3 weeks
Lemire, Ronald	"	May		5 days
Lockhart, Louis	"	May		9 days
Marcotte, Morris	"	July		4 days
Martel, Harry	"	April		12 days
McKay, Louis	"	July		4 days
Norn, Sarah	Kitchen	March 20	May 31	2½ mos.
Roy, Ambrose	Labourer	April 6	Apr. 30	3½ weeks
Sadler, Lorne	Welder	June 8	July 2	4 weeks
Saucier, Albert	Labourer	Aug. 5	Sept. 3	5 weeks
Seilstad, Warren	"	May		7 days
Sibbeston, Ernest	Forklift Op	May 20	June 17	4 weeks
Sonfrere, William	Labourer	April.		10 days
Van Dyke, Ken	"	March		3 days
Cayen, Edward	"			5 days
Cayen, Ernest	"			2 days
Cayen, Germain	"			2 days
Cayen, Joe	"			5 days
Cayen, Isadore	"			5 days
Cayen, Napoleon	"			2 days
Michel, Henry	"			5 days
Cheif, George	"			2 days
Beck, S	"			2 days
Tambour, A	"			53 days
Trapper, Joe	"			15 days
Anderson, R	"			10 days
Buggins, Herb	"			79 days
Larochelle, E	"			8 days
Lafleur, W	"			9 days
Sawyer, F	"			6 days
Chase, K	"			4 days
Smallgeese, George	"			9 days
Smallgeese, John	"			4 days
Nadli, Modest	"			3 days
Lacorne, Alex	"			36 days
Sabourin, Peter	"			48 days
McKay, John	"			38 days
McKay, Henry	"			10 days
McKay, Angus	"			24 days

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	HAY RIVER—CASUAL—Continued			
Fabien, Leon	Labourer			20 days
Fabien, Frank	"			14 days
Martel, Pat	"			58 days
Sonfrere, Dan	"			20 days
Beaulieu, Solomon	"			4 days
Martel, William	"			4 days
Beaulieu, William	"			2 days
Ducharne, Roy	"			12 days
Liske, Rolet	"			2 days
Loutit, Lawrence	"			5 days
Wrigley, George	"			39 days
Lamalice, Fred	"			14 days
Balcourt, Julian	"			3 days
McAllister, L.	"			11 days
Koll, Tony	"			1 day
	CAMBRIDGE BAY			
Tonokahak, B.	Labourer			4 days
Omelgsetok, P.	"			4 days
Taptoona, O.	"			5 days
Ekpokonalok, A.	"			4 days
Okagak, P.	"			4 days
Elatiak, A.	"			4 hours
	YELLOWKNIFE			
Powder, Joe	Labourer			4 days
	FT. RESOLUTION			
Beaulieu, Roger	Deckhand	Sept. 5	Oct. 9	35 days
Norbert, Henry	Oiler	Apr. 20	May 27	5 weeks
	FT. PROVIDENCE			
Bouvier, Gidean	Deckhand	Apr. 26	Oct. 11	5½ mos.
Lafferty, James	Pilot	May 1	Oct. 31	6 mos.
Lafferty, Leon	"	May 1	Oct. 31	6 mos.
Lafferty, Victor	Watchman	Jan.–Apr.	Oct.–Dec.	7 mos.
	TUKTOYAKTUK			
Andreason, David	Sealift Wiper	July 23	Sept. 6	1½ mo.
Andreason, Henry	Deckhand	June 10	Sept. 22	3½ mos.
Anakina, Sam	Deckhand	June 15	Aug. 18	2 mos.
Carpenter, Wm.	"	July 5	Aug. 18	1½ mos.
Chicksi, Rolet	"	June 9	Sept. 3	3 mos.
		Aug. 31	Sept. 22	3 weeks
Cockney, Angus	Deckhand	June		3 days
		Aug.		1 week
		Aug.		12 days
Gruben, Sam	"	June 6	Sept. 23	3½ mos.
Jacobson, Kim	Labourer	May 9	June	3 weeks
	Deckhand	June 5	July 1	1 mo.
Kikoak, John	"	June 8	Aug. 31	3 mos.
Kimiksana, Adam	"	June 4	Sept. 20	3½ mos.
Noksana, David	Deckhand	Aug. 20	Sept. 24	5 weeks
Noksana, John	Labourer	June 8	July 18	6 weeks
	Deckhand	Sept. 1	Sept. 20	3 weeks
Norberg, Gordon	Asst. storekeeper	June 30	Aug. 31	2 mos.
Norberg, John	LCM op. watchman	Jan. 1	Dec. 31	12 mos.
Panaktoluk, Jessie	Deckhand	June 6	Sept. 24	3½ mos.
Pokiak, George	"	June 5	Sept. 22	3½ mos.
Raddi, David	Labourer			2 days
Raddy, John	Deckhand	June 7	June 12	6 days

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	TUKTOYAKTUK—CASUAL			
Anakina, Peter	Labourer	Aug.		3 weeks
Avik, Andrew	"	Aug.		1 week
Avik, Joseph	"	July		1 week
Carpenter, Joseph	"	Aug.		1 day
Cockney, Ernie	"	Aug.		4 days
Cockney, Roy	"	June		5 days
Dillon, Lucky	"	Aug.		8 days
Elias, Tom	"	Aug.		3 days
Emahok, Adam	"	Jan.	Oct. 15	9½ mos.
Felix, Noah	"	June 15	Sept. 5	3 mos.
Felix, Ranley	"	Aug.		5 days
Felix, Willy	"	June-and Aug.		4 days
Kimihsana, Bert	"	Aug.		1 day
Klengenberg, David	"	Aug. and Sept.		5 days
Kotokak, Edgar	"	May 17	Sept. 17	4 mos.
Lennie, Fred	"	Aug. 3	Sept. 1	1 mo.
Nasogaluak, Henry	"	June 14	July 18	5 weeks
Negasah, Peterq	"	July		1 day
Ovayuah, Andy	"	Aug. 18	Aug. 26	8 days
Ovayuah, John	"	July 6	Aug. 6	1 mo.
Ovayuah, Kelly	"	June 16	Sept. 9	3 mos.
Panaktoluh, Frank	"	July 23	Sept. 2	6 weeks
Panaktoluk, Robert	"	July 2	Sept. 26	2½ mos.
Panaktoluk, Bill	"	July 20	Aug. 3	2 weeks
Pingo, Annie	Kitchen	May		3 days
Pokiak, Randley	Labourer	Aug. 2	Sept. 1	1 mo.
Raddi, Allen	"	Aug. 2	Aug. 26	4 weeks
Raddi, Sarah	"	May		3 days
Raymond, Phillip	"	Sept. 1	Sept. 26	4 weeks
Raymond, Wm.	"	Aug. 2	Sept. 24	7 weeks
Umaok, Frank C.	"	July		4 days
Voudras, Alph	"	May 28	Sept. 16	3½ mos.
	FT. SMITH			
Burke, Edwin	Labourer	May 22	Oct. 12	4½ mos.
Burke, Mike	"	May 22	Oct. 12	4½ mos.
Evans, David	Eqpt. Op.	Apr. 26	Oct. 24	6 mos.
Evans, John J.	"	Apr. 14	Oct. 21	6½ mos.
Grabimky, Chester	Watchman	Jan.	Dec.	12 mos.
Gratrix, John	Shipyard Foreman	Jan. 1	Dec. 31	12 mos.
Lepine, Fred	Labourer	May 5	Sept. 30	5 mos.
Marston, Marwin	Forklift Op.	Apr. 4	June 11	2½ mos.
Marston, Terence	Asst. storekeeper	June 28	Aug. 18	1½ mos.
	FT. SMITH—CASUAL			
Beaulieu, Joe	Labourer	May		4 weeks
Berens, Edward	"	May	Sept.	5 mos.
Clarke, Reg	Checker	July		2 weeks
Gibson, Ronald	Labourer	May 10	June 4	3 weeks
Kurzewski, John	Eq. Operator	July		64 days
	FT. SIMPSON			
Lafferty, Jonas	Pilot	May 1	Oct. 31	6 mos.
Rodh, Herbert	Deckhand	Aug.	Sept.	12 days
Lafferty, N.	Casual	June		9 hrs.
Beaulieu, John				9 hrs.
Beck, G.				3 hrs.
Dry, Bones, E.				13 hrs.
	FT. GOOD HOPE			
Lafferty, Albert	Pilot	May 1	Oct. 31	6 mos.
Lafferty, Michelle	App. Deckhand	June 19	Aug. 19	2 mos.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	Ft. Norman			
Bavard, John	Labourer	July 23	Aug. 15	24 days
Hoerassie, Jos.	Labourer FL Op.	July 2	Sept. 13	2½ mos.
Menacho, John	Deckhand	July 16	July 27	10 days
Menacho, Victor	"	July 12	Sept. 29	2½ mos.
Neyally, Jonas	"	July 12	July 27	2 weeks
Palissey, George	Forklift Op.	July 3	Aug. 15	1½ mos.
Doctor, Fred	Casual Lab.	July	Aug.	6 weeks
Gladue, Harriet	Cook	July 10	Sept. 1	2 mos.
Lennie, Bertha	Cook	Sept.		6 days
D. Hotte, M. Mendo, F. Widow, G. Yakeloya—Casual				4 days
	Norman Wells			
Raymond, Cecile	Kitchen	June 14	Aug. 2	6 weeks
Price, Dennis	Elect.			2 days
Buckingham, D.	Kitchen			5 days
Buckingham, M.	Cook			1 day
Knull, Edna	Cook			5 days
Clement, Sandra	Casual			4 days
	Ft. Franklin			
Kenny, Nap	Labourer	June 9	Sept. 2	3 mos.
Naedzo, Bernard	Deckhand	June 14	Oct. 1	3½ mos.
Takazo, Sarah	Waitress	May	Sept.	2 mos.
Takazo, John	Labourer	June 9	Sept. 23	2½ mos.
Yukon, Isadore	Pilot	May 1	Sept. 30	5 mos.
Takazo, Cecila	Cook	July	Aug.	25 days
Yukon, E.	Kitchen	July		6 days
	Inuvik			
Harris, Wm. J.	App. Deckhand	July 8	Aug. 24	1½ mos.
Mackenzie, Robt.	Deckhand	May 5	Aug. 3	3 mos.
Nerysoo, James	Deckhand	July 8	Aug. 24	1½ mos.
Clarke, Mabel	Casual			45 hrs.
Cli, L, Andrew, L.				3 hrs.
	Paulatuh			
Ruben, Garret	Labourer	Aug.		40 hrs.
Ruben, Joseph	"	Aug.		40 hrs.
Greene, Anthony	"	Aug.		40 hrs.
	Holman Island			
Inuktalih, Roy	Labourer			30 hrs.
Niguyoh, Morris	"			30 hrs.
Ikpukhaak, Patsy	"			30 hrs.
Lennie, Timothy	"			11 hrs.
Born, Ray	"			35 hrs.
.....	"			24 hrs.
	Ft. McPherson			
Alexis, Robert	Pilot	June	July	25 days
Charlie, John	Pilot	June	July	25 days
Koe, P.	Casual			18 hrs.
Koe, R.	"			19 hrs.
Vittrekwa, G.	"			19½ hrs.
Kendi, M.	"			18 hrs.
Teya, W.	"			20 hrs.
Blake, C.	"			12 hrs.
Venelesi, W.	"			11 hrs.
Roberts, J.	"			22 hrs.
Martin, K.	"			3 hrs.
Storr, R.	"			26 hrs.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
Ft. McPherson—Continued				
Chinna, A.				4 hrs.
Carliss, R.				1 hr.
Kay, S.				3 hrs.
Kay, J.				3 hrs.
Gardlund, K.				3 hrs.
Kendi, W.				2 hrs.
Jerome, H.				2 hrs.
Snowshoe, W.				2 hrs.
Hansen, R.				2 hrs.
Peerrot, J.				2 hrs.
Gully, C.				2 hrs.
Manuel, E.				3 hrs.
Tobac, D.				3 hrs.
Shoe, B.				3 hrs.
Lauison,				3 hrs.
Edgi, W.				3 hrs.
Katchilly				3 hrs.
Sachs Harbour				
Opiana, J.				8 hrs.
Elias, C.				12 hrs.
Haddorn, R.				3 hrs.
Kayachloo, J.				12 hrs.
Kadlak, F.				12 hrs.
Kudlak, J.				6 hrs.
Kuptana, Robert				12 hrs.
Kuptane, Roger				12 hrs.
Lucas, D.				6 hrs.
Raddi, M.				12 hrs.
Aklavik				
Kowana, J., Salamo, J., Irish, G., Malegana, W.				22 hrs.
Archie, J.				6 hrs.
Andrew, J., Blake, W., Sittichiali, L., Ball, J., Stewart, J., Snowshoe, J.				½ day each

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, NOVEMBER 14, 1968

Revised Main Estimates 1968-69

Canadian Wildlife Service

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Dr. D. A. Munro, Director, Community Affairs Branch (Social Affairs); Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29267—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Howard (*Skeena*),	Simpson,
Borrie,	Laprise,	Smerchanski,
Buchanan,	Marchand (*Kamloops-Cariboo*),	Southam,
Cullen,	McKinley,	St-Pierre,
Dinsdale,	Nielsen,	[1] Thomson (*Battleford-Kindersley*)
Durante,	O'Connell,	Watson,
Duquet,		Yewchuk—(20)

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Orlikow on November 13, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS.
WEDNESDAY, November 13, 1968.

Ordered,—That the name of Mr. Thomson (*Battleford-Kindersley*) be substituted for that of Mr. Orlikow on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29267—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 14, 1968
(4)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.25 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Buchanan, Dinsdale, Durante, Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Simpson, Southam, St-Pierre, Watson (11).

Also present: Mr. Orange.

In attendance: From the Department of Indian Affairs and Northern Development: Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Dr. D. A. Munro, Director, Community Affairs Branch (Social Affairs); Mr. W. D. Mills, Departmental Secretary; Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service.

The Chairman called that part of item 35 of the Revised Estimates 1968-69 of the Department of Indian Affairs and Northern Development relating to wildlife after which he introduced the witnesses.

Mr. Gordon and Dr. Munro made statements and were questioned. During questioning the officials undertook to provide some detailed information to the Committee, for tabling at a later meeting, about duck and geese populations, the game regulations covering ducks and geese and the general effect of Indian and Eskimo hunting on duck and geese populations.

On motion of Mr. Borrie, it was

Agreed: That item 35 of the Revised Estimates for 1968-69 of the Department of Indian Affairs and Northern Development relating to the Canadian Wildlife Service, be allowed to stand.

On motion of Mr. Buchanan, it was

Agreed: That the Committee adjourn.

At 1.30 p.m., the Chairman adjourned the Committee to Tuesday, November 19, 1968.

Michael B. Kirby,
Clerk of the Committee.

(Text)

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 14, 1968.

• 1122

The Chairman: Gentlemen, I call the meeting to order.

First I should like to apologize to the Committee for the short notice in calling the Wildlife section of the Department here today. The reason is that we had the Minister scheduled for Tuesday of this week and this meeting was cancelled by the person in charge of committee meetings in general. The Minister is in Western Canada today at an Indian consultation meeting and consequently is unavailable.

Rather than not have a meeting today, we felt it would be better if we went ahead and dealt with an item which is important and yet one which can be separated somewhat from the general estimates for purposes of discussion today. The Minister will be here next Tuesday so I hope members will understand that they have been given a short notice today and that the members of the Department have also been given a rather short notice. If there are difficulties because of this you have my apologies.

Mr. Borrie: Mr. Chairman, before we start I wonder if there is not some better way to get the meetings started on time and also with better attendance. It reminds me of the consultation meeting they had in Prince George where it took them four hours to get everything set up before the meeting could start. I do not think we have to carry on this way because I know a number of us have appointments later on, about one o'clock.

The Chairman: This is why we are getting started right now. We are not waiting any longer.

Mr. Simpson: I would like to say with regard to that unfortunately I do not see any other of our members here, but I do know that all but one who are on this Committee are on another committee meeting at this particular time and this has been happening. In fact, we have one member who has made brief appearances here but on both occasions he has had to leave to go direct to another committee meeting across the hall, possibly sometimes even to form a quorum at that meeting.

• 1125

Mr. Borrie: The Committee is not working very well.

Mr. Simpson: Unfortunately not, so far as our membership on this Committee is concerned and other committees that are quite busy at this time.

The Chairman: I now call item 35 of the Revised Main Estimates for the 1968-69 fiscal year relating to wildlife.

35. Canadian wildlife service—administration, operation and maintenance including research, conservation and development of wildlife resources, administration of the migratory birds convention act and authority for payment of scholarships for the training of biologists, $3,839,000.

The witnesses are Mr. J. H. Gordon, Senior Assistant Deputy Minister, Conservation; Dr. D. A. Munro, Director Community Affairs Branch, Social Affairs; Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service, and Mr. W. D. Mills, Departmental Secretary. I should like to call on Mr. Gordon.

Mr. J. H. Gordon (Senior Assistant Deputy Minister, Conservation): Mr. Chairman and gentlemen, I would like to apologize to the Committee. We would have liked to have had for you some published material and some background material for your prior examination. The notice was rather short but we will have distributed to the Committee members a number of pamphlets and documents which I think you will find of interest. I am sorry we were not able to get these to you in advance of this particular meeting.

Mr. Chairman, if I could I should also like to explain what might be a little puzzling to members. Dr. Munro is identified as the

Director of Community Affairs Branch of the Social Affairs program area of the Department. Again, because of the relatively short notice with which the meeting was called, Dr. Tener, the present Acting Director of the Branch, is out of town. Dr. Munro, who was the former Director of the Canadian Wildlife Service until quite recently, has probably the best background in Canada in this field and he kindly arranged to come here, although it is now a little outside his terms of reference.

Mr. Chairman, with your concurrence I should like to ask Dr. Munro to outline briefly for the Committee the general activities embraced within the Canadian Wildlife Service program as a basis for questioning.

Dr. D. A. Munro (Director, Community Affairs Branch, Social Affairs, Department of Indian Affairs and Northern Development): Mr. Chairman and gentlemen, the Wildlife Service activity is part of the Department's conservation program which has its roots in two pieces of legislation, the National Parks Act and the Migratory Birds Convention Act. The Migratory Birds Convention Act dates back to 1917 and it was from the necessity to administer that Act, which was passed in order to enable the Migratory Birds Convention with the United States, that the first wildlife work by the federal government was initiated.

• 1130

More broadly, I suppose, it is fair to say that the work of the Wildlife Service along with the National Parks Branch is rooted in a recognition of the value to Canadians of wildlife and wild lands and the natural environment. I think there are many evidences before us that as time goes on, as we tend to live more and more of our lives in cities and under conditions that might be called of increasing artificiality, the value to people in psychic terms, social terms, as well as economic terms, of the opportunity to return in a sense to the sorts of environments that we as a species evolved in, and to renew our relationship with other types of life is increasingly important. The federal responsibility in this respect is not entire or all-encompassing. The basic responsibility for wildlife in Canada is provincial. However, because of the fact that an international treaty was concluded with the United States some 50 years ago, the work which is basic to the administration of the Act—which enabled this treaty to be drawn up—is a federal responsibility. So, as our primary responsibility we have research and the management of the birds referred to in the Migratory Birds Convention Act.

The Canadian Wildlife Service also provides a service function to other areas of the federal government where there are direct or indirect responsibilities regarding wildlife. The two most important areas of this sort are in the national parks and the territories. In addition, the service provides technical assistance in respect of wildlife on Indian reserves and on such other federal lands as it may be required. In accordance with the general policy of extending research assistance in many fields to the provinces on request, the Wildlife Service also provides a technical and information service in regard to wildlife generally throughout the provinces as this may be requested or agreed to. We could say that our primary objective is to ensure the preservation and wise use of wildlife resources under federal jurisdiction and to support the provinces and territories in their efforts to achieve the same objective in their areas of jurisdiction.

We categorize the work of the Wildlife Service under eight headings, and I may just say a word or two about each one to give you a basis for further discussion. First with respect to migratory birds, our work is aimed at ensuring the maintenance of migratory bird populations at levels which are in harmony with man's interests. In this respect we have to administer the Migratory Birds Convention Act and Regulations. The enforcement of the Migratory Birds Convention Act and Regulations is primarily a function of the RCMP. It is also undertaken by the provincial wildlife services, but the Canadian Wildlife Service has responsibility for the statute, it reviews the enforcement activity and performs a coordinating role.

Another subfunction related to migratory birds is research and investigation to determine the status of migratory birds each year. The migratory game birds, which include ducks, geese, snipe, woodcock, fantail pigeons and a few others, are hunted each year. They are subject to various environmental pressures, changes in habitat, and so forth, all of which have some effect on their population. So, in order to manage them effectively and ensure that the population does not decline to the point of danger it is necessary to conduct various sorts of investigations and take a census each year in order to see how the stock is progressing.

• 1135

We have concluded that the most critical factor with respect to the survival of migratory game birds, primarily ducks and geese, is the maintenance of the habitat in which they live, the wetlands, and in this era of increasing intensity of land use we have had to embark upon a program of maintaining the habitat in two ways, by entering into agreements with landowners to preserve wetlands and by outright purchase of certain other sorts of wetlands. Migratory birds, like most other forms of life, are neither all good nor all bad from man's point of view and some of the bird species that inhabit Canada cause problems to us of one sort or another. They may damage crops, occasionally they get in the way of aircraft, and various other things may happen, so that we have a program of investigation and development which is related to the control of damage by birds to man's interests. Finally, we have a program of fundamental research on migratory birds which provides the information necessary for these other activities that I just mentioned.

The second area of our activity is what we term wildlife research general. Under this heading we carry on research in the national parks, in the territories and, in co-operation with the Department of Forestry, in some of the areas where investigations of the ecology of forests are being carried on, the forestry experimental stations. In this connection I expect the most important work is that which is related to the big game mammals in the national parks and in the Northwest Territories. In the national parks it is the big game mammals which are the most conspicuous, which have the most significant impact on their environment, sometimes through overgrazing or over-browsing, and which are such a significant feature of the parks as a recreational area for Canadians, and a continuing research effort in respect of these animals is required. In the territories mammals such as the caribou, polar bear and musk-ox are of considerable economic significance, and again continuing research programs are underway. I am sure that all members of the Committee will have become aware—and perhaps have been aware for some time—of some of the unexpected effects of the use of pesticides. For several years the Canadian Wildlife Service had a small program, the objective of which has been to try to determine accurately what happens to various wildlife populations when pesticides are used in an operational program. The Wildlife Service also has conducted a small research effort, the objective of which is to determine the occurrence and significance of parasitic infections and diseases among wildlife. Another activity in support of the national parks administration is related to the fresh waters of the parks, their capacity to support sport fisheries and their general ecology. I think one of the most effective tools of conservation is information, and the Wildlife Service has an information program which is manifested in the production of leaflets, pamphlets, scientific publications, television clips and motion pictures.

• 1140

Then we have an interpretation program which is just getting under way. In this program sites are selected for the erection of small museums and interpretative centres around which are developed a series of nature trails and outdoor exhibits, the objective being to bring people into contact with the natural features in our environment and to provide them with an experience in this connection that is both informative and enjoyable.

Finally I might mention the administration aspect of the wildlife service program. For administrative purposes the service is divided into two regions, one in the West based in Edmonton and one covering Eastern Canada based in Ottawa but separate from the Head Office.

We have an approved establishment of 219 and are presently somewhat restricted by the freeze on recruiting. These people are located in the regional offices, in Head Office and in suboffices located in Vancouver, Whitehorse, Inuvik, Fort Smith, Saskatoon, Winnipeg, Aurora, Calgary, Quebec City, Sackville and St. John's.

Mr. Chairman, perhaps I have provided enough general background.

The Chairman: Mr. St. Pierre wishes to question the witness.

Mr. St. Pierre: I have a series of questions, Mr. Chairman.

I have not been able to find in the estimates the revenue from the $2.00 migratory bird hunter's fee. Can you tell me where this appears?

Dr. Munro: Mr. Chairman, it is of the order of $760,000 in the first two years in which it has been in operation. This is the third year and we have every reason to believe it will be very much the same.

Mr. St. Pierre: Where does it appear in the estimates?

Mr. Simpson: Do you mean $760,000 per year?

Dr. Munro: Yes.

Mr. St. Pierre: Is it in the middle of page 226—$676,000 and $697,000?

Dr. Munro: Right. Now the difference between those figures and the one that I quoted you is the difference between gross and net. We transfer to the Post Office Department, which is the selling agency, the cost of handling the permits.

Mr. St. Pierre: That is, the cost of their issuing them.

Dr. Munro: Yes.

Mr. St. Pierre: It would be the same as a fee charged a hunter in a B.C. store for a B.C. licence?

Dr. Munro: Yes.

Mr. St. Pierre: And how is this money spent? Does it simply go into general revenue?

Dr. Munro: Yes, sir.

Mr. St. Pierre: Have any additional services been offered to hunters as a result of this fee?

Dr. Munro: Well, we began what we term the land easement program just about coincidentally with the institution of the permit, we also provided a better information service to hunters coincidentally with the initiation of the permit, but there is no earmarking or direct relationship between funds received and spent.

Mr. St. Pierre: I imagine you are aware of the considerable complaint there has been in British Columbia because of the lateness of the issuance of the federal regulations and I wonder if you could explain that to us, Doctor? Many of us in B.C. are not even receiving the regulations until after the season has opened.

• 1145

Dr. Munro: Mr. Chairman, there is a process involved between the period of making a decision on what the regulations should be and their being actually approved by Order in Council, published and promulgated. We have been aware of this problem for many, many years and have sought ways to streamline it. The time frame, as it exists now, is that decisions are made during the latter part of July. We would prefer to make the decisions as late as possible so that we can take account of changing conditions in the breeding grounds, any changes in populations and so forth.

In the last several years, having made that decision and made a recommendation to the Minister with respect to changes in regulations around July 20, 21 or 22, we found that the process of approval of draft regulations by the Department of Justice, the preparation of printer's plates for the abstracts, the transmission through the process of obtaining an Order in Council usually takes between two to three weeks, and in the last several years I think we usually have had our Order in Council somewhere between August 10 and 15.

This year the postal strike did not help. It did delay the transmission of booklets, abstracts and so forth through the mail. In the two or three years before I think that we were successful in getting information out to the public at least two weeks before the first season opened.

Mr. St. Pierre: I know from my own experience that this was not the case in British Columbia.

The federal government has always been involved in the Migratory Bird Regulations, which I believe involves some international negotiations each year. Until the federal migratory licence came in you transmitted this to the provincial government which, in turn, printed the regulations—both migratory and provincial. This was the case in B.C. I am wondering why the provincial regulations were invariably issued well in advance but since it has become a federal responsibility the federal government has been unable to get them out on time.

Dr. Munro: Mr. Chairman, there has been no change in responsibility. What has happened has been that at the time when the regulations for the hunting season to come were discussed the discussions involved the provincial wildlife directors and, with a few exceptions, we generally reach an agreement and the provincial directors are aware, informally, what the regulations are to be. In many cases they act on their informal knowledge and print in their regulation folders what the seasons are to be. We go through the process that I described a moment ago. There has been no change in that situation.

Mr. St. Pierre: I am speaking of course of the change that is visible to the British Columbia sportsmen. Formerly they could get their regulations in time but now frequently they cannot.

In this regard you speak of federal responsibility for controlling the period of time when you can go hunting—those are not the words you used but I assume this is the sense of it. In the case of a province such as British Columbia what contribution does the federal government make toward the provincial warden service which is doing the enforcement for you in that area?

Dr. Munro: The federal government does not make any direct contribution towards the provincial enforcement service but I think it is perhaps proper to point out, Mr. Chairman, that there is a provincial interest in the enforcement of the Migratory Bird Regulations since, in British Columbia for example, a fair fraction of the provincial hunting licences sold are sold primarily to people who wish to hunt migratory birds. So that some of their revenue is in effect derived from that resource and by a long custom there has been this sort of co-operation between the federal government and the provincial government.

• 1150

Mr. St. Pierre: Finally, and I do not know whether the witness can answer this question, Mr. Chairman, why was the decision taken to impose a separate federal licence for migratory bird hunting?

Dr. Munro: Mr. Chairman, there were two reasons. The most important was to provide a means of measuring the use of migratory birds by hunters in Canada. Some provinces had, on the basis of their own licensing systems, conducted surveys of their hunters in order to determine what numbers of various species were hunted and taken and various details regarding hunting which are significant in terms of management.

In other provinces this had not been done and in no two provinces were the systems comparable. As I mentioned earlier, as far as migratory birds are concerned this is a time of increasing pressures—diminishing habitat, increasing hunting pressure and a general squeeze on the productive capacity. We thought it was only good management to have as accurate information as possible on the status of populations and on the harvest or use of populations, so that the inauguration of the Canada migratory game bird hunting permit now provides the Canadian Wildlife Service with a universe made up of the names and addresses of all purchasers from which a sample can be selected for questioning for a national uniform survey of hunting and its effects. A secondary reason was simply that in view of the services being provided in support of hunting and other forms of recreation based on migratory birds, it seemed reasonable that there should be a user fee.

Mr. St. Pierre: I have a final question, Mr. Chairman. Do you know how many prosecutions there have been in Canada for failure to possess migratory bird licences?

Dr. Munro: I cannot give you a figure, sir, but there have not been many. There has been, I think, a quite effective effort made to check, as effective as any sort of wildlife enforcement activity can be, and the results have not led us to believe that the permit is not being well accepted.

Mr. St. Pierre: Thank you, Mr. Chairman.

The Chairman: I have a supplementary on the question raised by Mr. St. Pierre. Is any attempt being made to spend within the provinces the funds raised from the sale of these licences in direct migratory bird investment?

Dr. Munro: No, sir; there is not.

The Chairman: Mr. O'Connell is next on my list and then Mr. Simpson.

Mr. O'Connell: Mr. Chairman, I have a fairly lengthy series of questions to put to the witnesses seeking factual as well as policy information regarding enforcement to build up a background with respect to conflicts between the Migratory Birds Convention Act and Indian hunting treaties. If other gentlemen here who might have to leave have shorter questions I should be glad to give way for the time being.

The Chairman: Speaking as official representative of the Opposition, I think we should let Mr. Simpson ask his questions.

Mr. Simpson: Mr. Chairman, I should start out by saying that quite a substantial part of the enquiries that I shall be making will be on the same lines as Mr. O'Connell's. I have some other questions to ask so I think I will ask them now, and possibly ask a few questions supplementary to those Mr. O'Connell will be asking. I am glad to see, though, that there is an interest in that field among the Committee members.

• 1155

Dr. Munro, you were mentioning the Wetlands Program. I understand that it has been carried out for some years. I am wondering whether this is the type of program that in some provinces is called the Pothole Program. Is the Wetlands Program carried out in all or most of the provinces of Canada?

Dr. Munro: Yes, sir. It is carried out in all the provinces of Canada. I think I mentioned in my earlier review that there are two techniques of seeking to preserve migratory bird habitat, one by entering into agreements with individuals which are like leases, and the other by purchase.

The agreement program, which is designed primarily for the Prairie potholes because of the physical nature of their being scattered throughout legal units of land, is what is commonly called the Pothole Program, and is centred in the Prairie Provinces. In the other provinces more of our activity has been in outright purchase.

Mr. Simpson: What liaison is there between our Wildlife Service and Ducks Unlimited?

Dr. Munro: We are in frequent contact with Ducks Unlimited, sir. We keep them informed of our programs and things we expect to do. They reciprocate. We have, I would say, at least bi-annual meetings between senior people in the Service and senior people in Ducks Unlimited, and we have undertaken some cooperative activities.

Some of these have been in the field of investigation and at least one in the field of habitat maintenance where we secured a small tract of land which, by agreement with us, Ducks Unlimited proposes to construct a dam in order to create a piece of water-fowl habitat and there may be more of this sort of thing in the future.

Mr. Simpson: You mentioned that you are planning an undertaking in regard to the maintenance of habitat which they may carry out. This is one of the reasons why I ask what liaison there is because you were mentioning, Dr. Munro, that the maintenance of the quantity of any species relates in good part not only to the hunting but the conditions in the habitat. Without criticizing Ducks Unlimited, because I know they are doing a good job, we continue to hear reports that for certain areas being maintained for wildlife habitat the reaction has not been what might have been expected.

For instance, I did not see it myself but I heard many reports that in one particular area literally thousands—I would have to see it before I believed it—of Canada geese eggs were flooded out in an area where Ducks Unlimited apparently had control and had control of a dam.

I am not complaining about this because I have not seen it, but I wondered whether reports of this nature come to Wildlife Service and whether they are investigated in any way or discussed with Ducks Unlimited?

Dr. Munro: What you suggest, Mr. Simpson, does not ring a bell in my mind. I do not remember hearing a report of this exact type but certainly if we heard of something like that our relationship with Ducks Unlimited is such that we would try to find out what had happened. I am sure they would tell us and I am sure anything that could be done by either of us to correct that situation would be done.

• 1200

Mr. Simpson: Very good. Before I leave that question I should like it understood that I am not criticizing Ducks Unlimited. I am going to try to get more of a basis for this matter that I questioned you on because it was brought to my attention by several people but I did not see the situation myself this fall. Now, one or two questions in regard to the Migratory Birds Convention Act. I suppose that periodic international discussions are held with the people involved. Am I correct in saying that Mexico is also part of this agreement?

Dr. Munro: Mr. Chairman, there is a treaty between Canada and the United States; there is a treaty between the United States and Mexico. In a sense, the two treaties in their entirety mean that the three countries have reached an agreement in respect of migratory birds, but Canada has no treaty directly with Mexico. In some of the technical discussions regarding migratory bird conservation that take place, Mexican officials are represented.

Mr. Simpson: You mentioned discussions that take place. Is there an annual meeting between representatives of our country and the United States on the migratory birds question?

Dr. Munro: Mr. Chairman, there are two meetings at which officials of both countries come together, and there are a number of other meetings, of a more or less *ad hoc*

nature, to deal with specific problems which the officials of the two countries attend.

One is convened by the Canadian Wildlife Service for the purpose of discussing regulations for the upcoming hunting season in Canada at which there is always a representative of the United States Fish and Wildlife Service. These are not meetings at which there is a negotiation regarding these matters. They are meetings they attend in our country as a matter of courtesy, and which we attend in their country also as a matter of courtesy.

There is also an organization called the International Technical Meeting on Migratory Birds which has met with membership from Canada, the United States and Mexico to discuss some of the problems that may need to be met in migratory bird conservation in the future. This meets here regularly.

Mr. Simpson: I would not want to put a direct question to you or anyone in your Department as to whether Canada was fully satisfied with general hunting regulations in the United States in relation to migratory birds. That probably would not be a fair question, but are our Wildlife people in Canada cognizant of the regulations in most or all of the separate States?

Dr. Munro: Yes, sir. As I mentioned, representatives of the Canadian Wildlife Service attend the United States National Waterfoul Advisory Committee which is held every year around August 1 in Washington, and we listen to the discussion there between federal and State officials and officials of private organizations having an interest in the field. We contribute to the discussions to some extent, and I think we are always pretty well up to date on the outcome of these discussions.

Mr. Simpson: Anyone interested in hunting quite often hears reports that there is indiscriminate hunting of wild migratory birds in some of the southern States. Now, they probably hear the same things about us. I have no basis for this claim, but I am glad to be assured that our Wildlife Service are aware of and cognizant of the different regulations. I often thought it would be interesting if we could get a copy of the hunting regulations of many of the States through which the flyways go and which contribute to where much of the hunting is done. I am wondering if it would be possible to get regulations from any of these places, because I have often been asked by hunters this very question, is it possible to get hunting regulations from the various states through, let us say, some source in Ottawa?

• 1205

Dr. Munro: Mr. Chairman, we can provide anyone with a copy of the United States regulations governing migratory bird hunting. I do not know that we can provide a guide to their interpretation, because they are presented in a way that I find difficult to follow. There are so many footnotes, and so on, but we can do it.

Mr. Simpson: That is very good. I will not continue this very much longer, but does each State or do some States set their own regulations?

Dr. Munro: No, the situation is exactly as it is in Canada; regulations are federal. There is a discussion between the federal representatives and the State representatives prior to reaching a decision on the regulations. They hopefully look for a consensus.

Mr. Simpson: But, of course, in Canada we have different bag limits in different Provinces, in the same species of duck.

Dr. Munro: That is right, and these are set by federal regulations. In at least one Province in Canada we have different regulations for the same species of duck in different parts of the Province. This is in response to what we consider to be biological necessity.

Mr. Simpson: I think, then, that is all for now, but I would like to say that I will probably have some supplementary questions on Mr. O'Connell's questioning.

Mr. O'Connell: Mr. Chairman, the first questions I would like to ask are basically factual, and I appreciate that we have all come without much preparation. Therefore, some of the answers may not be available at once. The second set of questions concern policy and conflict between treaties and the Act. I would like to ask if we can get some estimate of the total population of migratory ducks and geese. These are the two species in which I am interested, basically.

Dr. Munro: Yes, Mr. Chairman, we can provide some estimate of the total numbers of ducks and geese. In respect of certain populations, for example the Snow Geese that breed on Southampton Island or some comparable population, we can provide rather specific figures. The larger the area we attempt to

cover, the less reliable in absolute terms our estimates may be because they are, to a great extent, based on sampling, sampling censuses, so that our system is designed to detect trends of change rather than absolute numbers. It is possible to make estimates of absolute numbers but we are more concerned, really, with change and we would not say that the estimates of absolute numbers are as precise as we would like them to be.

Mr. O'Connell: I would appreciate if you would be prepared to make some estimates, even hedging them, as approximate. My second question on populations—I believe there are flyways—could you indicate the number of these there are in Canada, and the relative proportions of these two kinds of migratory birds in each of these flyways, or in the several flyways?

• 1210

Dr. Munro: Yes, Mr. Chairman, we can do, again, something of that sort, but I fear it may be misleading because the term "flyway" was coined in the United States to describe the situation that obtains there, where there are quite well defined flyways or pathways, flight pathways of migratory birds. In Canada they tend to overlap and intermingle. For example, a proportion of mallards that are bred in Central Saskatchewan go down to a part of the USA that is called the Mississippi Flyway, they head southeast. Another proportion go almost directly south to the Central Flyway. A smaller proportion go over toward the Pacific coast and enjoy the Pacific Flyway. This same sort of intermingling of populations obtains pretty well throughout Canada. It is misleading to speak of a flyway as a fixed and definite phenomenon, it is not.

Mr. O'Connell: The point I was hoping to reach is if there is any way in which you could relate Indian populations or Indian communities to the course generally taken by these birds. What is behind that question, in my mind at least, is if in fact treaty rights are being restricted through the Migratory Birds Convention Act, I think it is only right that we should know the total number of birds involved. These birds are restricted because of what is called the threat of indiscriminate slaughter. We do not appear to know how many birds are involved or where they are and how Indian communities relate to them. I would like to know how many reserves are in the paths of these major routes which are taken by the birds, if that is possible.

Dr. Munro: Mr. Chairman, we could provide some generalized information of this sort. For example, we know that the Walpole Island Indian reserve is in the centre of a major migration route for ducks. We could name a number of other Indian reserves that are favourably located in respect of migration routes. We could name some that are not. Without more specific investigation I would hesitate to say how many thousands of birds on the average might pass over a particular reserve in any one year. This is asking for rather precise information.

Mr. O'Connell: Yes. Then—

Mr. Gordon: Mr. Chairman, and here I defer to Dr. Munro, if we had an overlay on a map of Canada on which the reserves are located, or at least the agencies—because with the reserves in British Columbia in particular it is quite a job to indicate individual reserves—an overlay of the normal migration routes, it might be helpful to you and then these could be coded with some indication of the bird population, subject to these qualifications.

The Chairman: If I might intervene here, Mr. Gordon, I believe there are maps of Canada which show all the Indian reserves. If you were to put an overlay with the flyways on it it would perhaps be of assistance.

Mr. O'Connell: I notice there is a fairly large research effort being undertaken through the Canadian Wildlife Service, and now that it is in the Department of Indian Affairs and Northern Development I would suggest through you, Mr. Chairman, that some research be done on the Indian kill that is expected or some estimate given in that area which is related to the flyways and the Indian communities so that we can get some factual information.

The Chairman: Especially the percentage of Indian kill. Is this not what you would want?

Mr. O'Connell: No, I think we require absolute numbers if we can get them. I think we have to get some estimate of absolute numbers. For example, if I read the $2.00 permit correctly it suggests there are 375,000 hunters, who are annually licenced to hunt migratory birds. What I am trying to get at is how many Indian hunters might be expected to shoot birds on their own reserves or in the nearby territory, what is the total kill in any year and what might the Indian kill be as a proportion of that. These may be estimates

but I think it is pretty important for us to have them, and I hope the Department will do some research in this area that will put us in a better position.

• 1215

Dr. Munro: Mr. Chairman, may I respond to this question by saying that we have been considering issuing a free permit to Indians and Eskimos for the hunting of migratory birds with the idea that this would enable us to obtain some of the type of information that you suggested and that I agree is most necessary.

There is now simply no basis, other than the most arbitrary one, for estimating the numbers of Indians that hunt or what they take, except in a few areas where some inquiries have been made. We agree that one of the items of information that is lacking and is vital is the use of migratory birds by Indians and Eskimos in quantitative terms.

Mr. O'Connell: Mr. Chairman, may I ask if the Canadian Wildlife Service has detected any trends in the size of the flocks of these two kinds of birds since 1964, or perhaps even more recently, 1966? Are any trends being observed here?

Dr. Munro: Mr. Chairman, there has been a decline in the number of ducks, particularly those that are raised in the Prairie provinces and in the areas to the north of them. Since 1965 in Eastern Canada there has been a gradual but consistent decline in the number of black duck.

The situation is happier in regard to geese. The populations have remained fairly stable throughout this period. We attribute the decline in the Prairie provinces breeding ducks to the cyclic decline in water levels and droughts which have taken place there. With respect to the black duck, we are not certain about them.

Mr. O'Connell: May I ask a related question here? Would it be fair to say that the enforcement of the Migratory Birds Convention Act with respect to Indian hunters has not been pressed in the past?

Dr. Munro: Yes, Mr. Chairman, that would be a fair and accurate statement.

An hon. Member: I believe there have been very few prosecutions.

Mr. O'Connell: Yes, sir. As the result of recent court cases, beginning with the Sikyea case in 1964 and ending only this year with the Daniels case in Manitoba, will you be following a different enforcement procedure? Now that it has been clarified that Indians are subject to the Act, will you follow a different enforcement procedure?

Dr. Munro: No, Mr. Chairman, we do not propose any change in the enforcement procedure at this time. In the past we have asked the enforcement agencies to pursue what we call a policy of leniency in enforcement in respect of native people who live in areas where there is a need for them to take migratory birds for food, and we have continued to advise that we consider this a desirable policy.

Mr. O'Connell: Mr. Chairman, may I ask whether it is possible for Dr. Munro to say if the Canadian Wildlife Service has any way of measuring the impact of Indian hunting on migratory bird flocks? I believe the Act that you are administering is in existence to protect flocks from indiscriminate slaughter. Is there any way of ascertaining if Indians who hunt on their own reserves, for example, or on unoccupied Crown land constitute any threat. Have you any way of measuring that? Has any measurement been undertaken?

• 1220

Dr. Munro: No, Mr. Chairman, no measurement has been undertaken. We infer from what has happened in past years that the traditional level of use by Indians has become harmonized with regulated use by Canadians and Americans, and that a system has become established which seems to work.

Mr. O'Connell: And it is working with a non-enforcement policy with respect to Indians.

Dr. Munro: That is true, Mr. Chairman. I feel bound to point out, though, that in respect of many of the reserves in Southern Canada, enforcement or not, it is my belief that the regulations are observed by Indians.

Mr. O'Connell: Mr. Chairman, is the Wildlife Service aware of the differential in practice in the United States compared with Canada in that the Migratory Birds Convention Act is not enforced, not only as a question of policy but as a question of law interpretation in the case of Indians in the United States?

Dr. Munro: Yes, Mr. Chairman, we are aware of that.

Mr. O'Connell: Are we in Canada concerned about the potential destruction of these migrating flocks because Indians in the United States may kill these birds with impunity but Canadian Indians may not?

Dr. Munro: No, Mr. Chairman, we are not because the location of reserves in the United States is very much different on the whole than it is in Canada. There are very few reserves, proportionately speaking, in the United States that are located as strategically with respect to migratory bird flight lines as they are in Canada.

Mr. Borrie: You are not too sure of the location of reservations and the migratory routes in Canada though, are you? Not in the sense that you can draw a complete analysis from it.

Dr. Munro: Not in the sense that it can be quantified down to terms of so many thousand birds customarily passing through this area or that; no, sir.

Mr. O'Connell: Has the Department or the Wildlife Service given advice to the Canadian Government with respect to bringing about uniformity in both countries with respect to the administration of this Act? I do not have it with me, unfortunately, but it does call for uniform protection in both countries. We do not really have uniform protection since Indians are put under a disability in this country, though it is generally not enforced against them, which they are not under in the United States. Have we on our side taken steps or are we proposing steps to bring about a uniform enforcement?

Mr. Gordon: Mr. Chairman, perhaps I could intervene here to say that the Department and the Minister have under review many of these points that Mr. O'Connell has raised. With respect to the question as to the intention, I think this is a question which we would not be in a position to answer.

The Chairman: It is a question of government policy.

Mr. O'Connell: Could the witnesses not state what kind of advice they have given perhaps with respect to the conflict between Indian treaties and the Migratory Birds Act?

Mr. Gordon: Mr. Chairman, I am afraid the advice that we would render in cases like this is privileged information and that the Minister would really have to respond to a question of that sort.

Mr. O'Connell: All right. I am coming to the end of some of my questions, Mr. Chairman. Through the research you have done, would you say that it is possible to increase the size of flocks through various means, for example, the sanctuaries, the wetlands policy, and perhaps other knowledge that may become available through biological research and so on? Could you say that you could in some way determine the inventory of migratory birds?

• 1225

Dr. Munro: Mr. Chairman, in a very general way, yes. In regard to certain species—Canada geese, for example—there are proven techniques for increasing breeding populations and increasing the size of the population. There are possibilities, I think, for increasing stocks of certain other species. But an over-all limiting factor of course will be the habitat which these birds of the various species have to occupy.

Mr. O'Connell: I cannot put this as a question—it is perhaps more of a statement—but I would draw from the evidence that with the scientific possibilities today of controlling or determining in some way the total composition of these birds—the permit system, the sanctuaries, the wetlands and the research policies—we could no longer feel that these birds are under a threat of extermination. If that is the case, I am trying to get reinforcement for the point of view that a total acknowledgement of Indian hunting rights would not under these modern conditions of permits and inventory possibilities bring any threat to the total flocks of the birds. Would that be a fair statement to make, Mr. Chairman?

Dr. Munro: Mr. Chairman, I think that would be a daring statement to make because there is a difference between knowing how to do a thing and being able to do it, and being able to obtain the resources to do it. There is also the fact I have mentioned several times, and that is that the numbers of birds that may be maintained are dependent upon their habitat, and to maintain habitat means the allocation of money to safeguard it.

I would say that there is not a threat of extinction of any species of migratory bird, with the exception of the whooping crane, at present. But there are certainly some species that may not become extinct but that could quite possibly reach levels at which they would be a rarity and of no practical significance in terms of hunting, for example.

We have seen that in the last 20 years the use of pesticides has posed a new threat to wildlife populations, one that we did not really recognize or appreciate for some years after their first use. I would suppose we would face continuing hazards of that sort, and hazards perhaps that we have not yet imagined through the future. But all I am saying, Mr. Chairman, is that I do not think we can just be optimistic without qualification.

Mr. Gordon: I suppose, Dr. Munro, it would be fair to say that, along with the new techniques and measures for protection and rehabilitation of these various species, these are, crudely speaking, being paced by new threats to the survival of some of these birds in connection with pesticides, water pollution, and the continued encroachment of our way of life into the areas where the birds live and where they breed. So that our research efforts, and efforts at rehabilitation, are keeping pace if you like, but just keeping pace with the new demands and the new threats that are being experienced by these birds.

It is very hard, sir, if I may add, to identify in this maze of variables and maze of variety of influences in the ecology and the environment which are coming to bear, what I suspect may be your interest in trying to identify the particular nature of the utilization by Indians in the event that some change should be made in the Migratory Birds Convention Act. Certainly we could make our figures more precise, I think.

• 1230

One of the facts of course which make it difficult to be precise is that at the present time the Indians are not required to be licensed in any way, so that we have no real picture of the kill.

Mr. O'Connell: Yes, I appreciate that. But if the threats are basically non-Indian threats, and the courts have now clarified to us in the last few years that the treaties have been abridged, then it would seem to me it is incumbent on the Canadian Government to equip itself with the facts of the Indian contribution to the kill, and be in a position to propose changes to the Migratory Birds Convention Act. As the courts have said: "We have dishonoured the treaties." And if the argument is going to be threats to the birds then we should have the facts. And I would hope that we could dig them out.

Mr. Chairman, I would like to ask one or two other questions. Has the Department or the Wildlife Service received any requests from Indian organizations or bands for research grants with respect to research into the, let us say, conflicts between migratory birds and treaty rights and into conservation measures that Indians themselves might undertake voluntarily?

Mr. Gordon: Not to my knowledge, sir. This does not mean that there may not have been such requests. We have a branch of the Department represented here which normally might not be aware of recent representations that might have been made. But I could check this out, Mr. Chairman, and confirm whether or not such a request has been received.

Mr. O'Connell: I may say that I do not know myself whether such a request has been made, but looking at the estimates there are grants here to the Audubon Society; there is a grant to the Canadian Wildlife Federation of $20,000, which appears to be a new grant. I would appreciate knowing who the Canadian Wildlife Federation are. I just want to make the point or ask the question whether there would be any reason in not responding, and whether there would not be a good reason for encouraging some of the provincial or national Indian organizations to do some research themselves in this area and form part of the decisions about the total picture. Has any encouragement of that kind been proposed by the Department?

Dr. Munro: Mr. Chairman, I can certainly say what the Canadian Wildlife Federation is. I might point out that the grants to both the Audubon Society and the Canadian Wildlife Federation are only $10,000 a year, not $20,000 a year as shown.

The Canadian Wildlife Federation is a federation of the provincial federations, which in turn are federations of local rod-and-gun or hunting and fishing clubs located in the various localities across Canada. The Canadian Wildlife Federation is primarily an educational organization; I think that is the best way to term it. It has a very small staff and a small budget. It provides a medium for communication by means of a newsletter and by means of annual meetings of the representatives of sportsmen in different Provinces. It supports and manages National Wildlife Week. It undertakes various programs of disseminating information on wildlife conservation to the sportsmen's groups of which it is a federation.

The Canadian Audubon Society is a somewhat similar organization. Although it is not a federation as such, it has constituent societies in various parts of Canada. the memberships of which are made up largely of people whose interest in wildlife is not that of hunting, but that of observing birds and photographing them, and so forth.

Mr. O'Connell: My last question, Mr. Chairman. Do you receive representations from the Canadian Wildlife Federation? Have you received briefs?

Mr. Gordon: Yes, the government does.

Mr. O'Connell: Would these briefs be available to the Committee? Has the Canadian Wildlife Federation made representations, say, against the Indian case, with respect to treaty hunting rights, and the Migratory Birds Convention Act?

Dr. Munro: Mr. Chairman, the Canadian Wildlife Federation did make a presentation to the Department on the question of Indian hunting rights. My interpretation of it—my impression of it—was that it reflected thinking that was very sympathetic to the Indian cause.

• 1235

I am not certain whether the Federation has released the brief but I see no reason why an enquiry might not be directed to the Federation Director.

Mr. Simpson: I have a question related to Mr. O'Connell's concerning the populations, the quantities of these birds. Can you tell me, Dr. Munro, assuming that the Wildlife Service would have to rely on the good will of hunters reporting their kills of migratory birds, do you attempt to compile percentages in relation to the population of Canada geese, the percentage of geese actually taken by hunters in any one year in Canada, and do you do this in relation to mallard ducks?

Dr. Munro: Yes, sir, we do this. We obtain information on the kill of each species by place and by time period throughout Canada. We also have some measures of total populations as I mentioned earlier, I think, in response to Mr. O'Connell's question.

I must ask you to understand that there are sources of error in both these sorts of operations. Hunters like to say that they got 10 birds when perhaps they got 9 or 7. There are various sorts of biases and we have some means of checking these and attempting to interpret them so that we believe them to be correct.

There is another source of information that enables us to check the accuracy of the two types of data I have just mentioned and this is by means of banding birds. We can determine a percentage harvest of the total population by the numbers of bands that are returned by hunters in relation to the numbers of bands that were actually put on the birds.

Again, there are some sources of bias here because not all hunters will return their bands. They look at them and say, "Oh, well, I sent one in last year; why bother again?" All these bodies of information are subject to certain sorts of bias but we rely on the interpretation of these several sorts and they tend to substantiate each other. We end up with estimates of the total harvest, for example, of any species which we believe to be reasonably accurate for the purposes of management.

Mr. Simpson: Then it would be possible for the Committee to get these figures from the Department so that we might have an idea of the percentage of kills by hunters?

Dr. Munro: Mr. Chairman, we could provide figures of that sort for some species only and in some cases perhaps only for certain areas, but I think we can provide some useful information of this sort.

Mr. Simpson: That would be fine. If we are going to receive some idea of populations of these birds as requested by Mr. O'Connell, I would certainly like to get the figures that you might have available.

I have one further question. A lot of it, as you say, is subject to the actual reports the hunters put in, but there is one thing that could be determined right to the last decimal point. Does the Wildlife Service make any attempt to relate the number of hunters that report their kills to the number of hunters taking out provincial licences, province by province? What I am trying to get at is this: I know all of us may at some time look in our hunting jackets in January and find our licences sitting there. Probably they are then sent in but there must be a lot that never come in and I am wondering whether you have figures of that nature?

• 1240

Dr. Munro: Yes, we do.

Mr. Simpson: Could they be provided also for the Committee?

Dr. Munro: May I just ask you to say exactly what it is you want. Is it comparison between the sales of federal licences and provincial licences, province by province?

Mr. Simpson: Yes, as well as the number of licences reported back by licence holders.

Dr. Munro: I should explain, Mr. Chairman, that we do not expect all licence holders to report. We select a sample of the licence purchasers and ask them to respond so that if they are selected as one of the sample they know they are to respond. If they do not respond we send them a reminder and we have information which indicates what proportion of those asked do respond.

Mr. Simpson: I realize that you do this, or I assumed that you had just started doing that type of requesting a very short time ago, but I would have to take another look at a Manitoba licence. I understand that it does not demand that you send it back but it requests on the licence that you report your kill the same as it always did.

Dr. Munro: That would be on the provincial licence.

Mr. St. Pierre: Mr. Chairman, I do not think that is general. I do not think we have had that in British Columbia. It must vary from province to province, I would think.

The Chairman: I am sorry, gentlemen. We have questions here from Mr. Borrie and Mr. Buchanan before we go on to more supplementaries. Are there supplementaries on this now or can we get on to the questions from these two gentlemen?

Mr. Borrie: You can take my name off the list because my questions had to do with the migratory route and Indian reservations, and enforcement of hunting regulations against Indians.

Mr. O'Connell: Mr. Chairman, may I ask a supplementary? It is a very short one. I believe there is some urgency in getting this information for the reasons I have stated but there is the additional reason that if and when the claims commission is put in place undoubtedly cases will be brought by Indians through the claims commission for compensation for the loss of hunting rights. Then if there is no way of measuring the utilization it is going to be very, very difficult and think it is very important that the research activities—and we will bring this up with the Minister—should include a new look at the question of utilization by Indians.

The Chairman: I think, Mr. O'Connell this might be a worth while subject for discussion in our steering committee to determine whether perhaps we could make a recommendation to the government somewhat along the lines you suggested. Perhaps you would like to raise it at one of our subsequent steering committee meetings, Mr. O'Connell.

Mr. O'Connell: I would be pleased to.

Mr. Buchanan: Mr. Chairman, my questions, I suppose, are more of what you would call the nuts and bolts variety I am curious to know the purpose of this in view of the fact that I gather nearly all these funds are either spent or totally committed. Is this correct? For the year 1968-69 is this basically what we are dealing with?

• 1245

The Chairman: Yes.

Mr. Buchanan: This money is really virtually all gone now or wholly committed?

The Chairman: That is correct.

Mr. Buchanan: This is more of historical interest; is that the idea?

The Chairman: No, I do not think so, Mr. Buchanan. My view of the consideration of these estimates is that it enables the Committee to delve into the actions of the Department during the past year and also into some of the ideas it has for the future. There is no effective way, I think, that members of Parliament can get to the root of what any single department is doing other than by this method.

We have the officials here and it is up to us to make this Committee effective and I think we can be effective if we go into something in detail. Perhaps if we are not satisfied with what the Department is telling us we as a Committee can make a recommendation to the government. This is the whole purpose, in my view.

Mr. Buchanan: Your hope is that our delving might turn up or develop something that would have an influence on future expenditures. Is that basically what you are saying?

The Chairman: That is correct.

Mr. Buchanan: Mr. Chairman, I am just looking at the salaried positions. There is an

increase of 24 employees and I gather, going over them category by category, that these 24 additional people involve an outlay of approximately $150,000 a year. I would be curious to know—and this, I guess, would be Mr. Gordon's area—if there has been a substantial expansion of the area of responsibility of the Wildlife Service, or is this just a sort of normal increase—roughly a 15 per cent increase?

Mr. Gordon: Mr. Chairman, Dr. Munro has outlined some areas of expansion of activity which have involved additional people. Included in this is an expansion of our wetlands acquisition program, and our effort to expand and to intensify our research program. The provision of additional information which comes to us, incidentally, through the permits which are now being provided enables us to do a better and more efficient job, I think, in relation to the whole numbers underlying the programs that we have. And, of course, the policy statement that was filed in the House in 1966 outlined a program of activity which represents an expansion in a number of areas by comparison with what had been done.

The Department has a five-year program—it projects its activities over a five-year period—with a phased increase of staff. The 24 additional positions, of course, have to be seen in the context of the staff freeze which the government announced; so that our positions, I believe, are somewhat less than our authorized strength. I think our authorized strength is 219, and our actual strength at the present time, considering recruitment and frozen limits, is somewhere around 170.

Mr. Buchanan: So you are roughly 50 below—

Mr. Gordon: We are roughly 50 below our paper strength at the present time.

Mr. Buchanan: I notice, Mr. Gordon, there is an item under "Professional and Special Services" which had an increase of roughly 50 per cent, or in the neighbourhood of $215,000. I was wondering if you could expand or make some comments on that.

Mr. Gordon: If I may, Mr. Chairman, I would ask Mr. Schultz or Dr. Munro to comment on this.

Dr. Munro: Mr. Chairman, this is largely a reflection of the decision to buy certain sorts of services. I mentioned the pesticide program which really got under way in the last couple of years. There is a requirement in carrying out this program to have analyses made of the tissues of birds and mammals and so on that are found in pesticide-sprayed areas for the presence of pesticides. This is a fairly sophisticated form of chemical analysis for which we do not propose to equip ourselves because it would require quite a heavy expenditure of capital equipment and long-term commitment of staff. We contract for this sort of service with Ontario Research Foundation, the University of Guelph and I think the University of Manitoba. That is perhaps the outstanding example.

• 1250

There are other sorts of services that are short-term scientific studies that we get done primarily by university people because we think this is the most economical way of doing it, and also because it helps to support the universities in their training of people in this field. Data processing contracts are a significant component of this increase as well.

Mr. Buchanan: I see the rental has gone up a couple of hundred thousand as well. It has gone from $366,000 to $564,800.

Dr. Munro: The rental primary includes the sums that are paid to landowners under the agreements to maintain potholes.

Mr. Buchanan: Your potholes and wetlands program is the biggest factor in that and was, I gather, subsequent to 1966, a new area for this. Is that correct?

Dr. Munro: That is right. It was carried out on a pilot project basis of a few tens of thousands in 1964-65 and then it became operational in 1966.

Mr. Borrie: If I might ask a supplementary, Mr. Chairman, there is an increase of $78,000 for "Publication of Department Reports and Other Material". I hope it is not the Committee's request for extra information that has caused some of these increases. Why would this go up so drastically?

Dr. Munro: Mr. Chairman, this was simply in accordance with the policy and program statement that the Minister tabled in the House in 1966; simply an acceleration of an existing program in an attempt to let the public know more about wildlife and about what the Wildlife Service is doing. I cannot attribute it to any particular component but simply to an increase in the dissemination of

scientific information and information about wildlife in popular terms.

Mr. Borrie: The other supplementary that I have concerns the expenses for Banff Park. Why was this amount decreased? I know that a few washrooms were closed up. What is the long-term project for the Mount Revelstoke and Glacier Parks?

The Chairman: Mr. Borrie, I think this is a question that should come later when we are considering the estimates of the National Parks. Do you have any further questions?

Mr. Borrie: The estimate that we are undertaking now would be in relation to conservation within those Parks, would it not?

Mr. Gordon: The Canadian Wildlife Service provides an advisory service with respect to the wildlife population in the Parks, but I think the item that you are referring to, sir, is in the National Parks area of the conservation program.

The Chairman: I have a couple of questions that I have been holding off here and I would like to get them in before the end of the sitting. What are you doing about preserving our caribou population and how much, approximately, is spent in a year to help increase the population?

Dr. Munro: Our main effort in respect of caribou is research. The responsibility for management of caribou rests with the Territorial Government and with the governments of the provinces which they pass through from time to time on migration.

Our research activities have had several phases. One that has been significant, I think, is the determining of the effects of fire on caribou range which have been quite substantial. Most of the caribou range is beyond the area where customarily fire protection has been afforded because the timber is of little commercial value. But the fires have had the effect of destroying lichens which in those areas take some 60-odd years to regenerate, and over a period of time there has been quite a loss of good winter range on that account.

As a consequence of our findings in this respect some modified form of fire detection and protection has been set up in the southern part of the Mackenzie District which I think has been of some effect. The major research effort at the moment is centred on one herd which we term the Keewatin herd and which moves between Keewatin District and northwestern Manitoba and northeastern Saskatchewan, and is aimed primarily at determining a good deal more about the health status of the animals, their productivity in relation to range conditions, diet, and so forth.

• 1255

The caribou populations have shown an increase since 10 years ago from an estimated 270,000 or 280,000 to about 350,000. The total research effort is something of the order of $70,000. About every 10 years in the past we have mounted an extensive aerial survey of the mainland caribou habitat in order to determine population figures. When we do that I think it costs us around $50,000 or $60,000.

Mr. Simpson: A supplementary question, Mr. Chairman. You have given figures on the caribou herd. I understand there has been quite a decrease in the herd in the last twenty years. Could you tell me what was the highest number of caribou we had in the last forty years, and how far back your figures go.

Dr. Munro: There has been quite a decrease in the caribou herd in the last twenty years. The first survey of significance was made in 1948 and, if I recall correctly, the figure then was something just over a million. Before that who knows? One had the impression there were millions but there is no accurate knowledge before that time.

The Chairman: If I may ask another supplementary, would the expenditure of additional funds be of any assistance in increasing the herd over the next two years? Do you feel there is anything that we should be doing that we are not doing because we lack funds?

Dr. Munro: I hesitate to say no, Mr. Chairman, to a question like that, but I do not honestly think so at this point.

The intensive research survey which is being carried on in Keewatin now and which is due to conclude at the end of next summer may suggest that we should be doing something of that sort. I suspect that the number of caribou is primarily controlled by the effects of fire on their natural habitat—possibly something more could be done in this respect—and from occasional over-utilization. I am not saying that this is a continuing significant factor. The requirement is to apply properly the information that we have about caribou at this time and we hope to do that by the end of next summer.

Mr. Simpson: Do the provinces make the decision whether there will be an open season to hunt caribou on the barren land?

• 1300

Dr. Munro: There is a continuing committee made up of representatives of the Territorial Government, the Wildlife Service, and the Chief Game Officers of Alberta, Manitoba and Saskatchewan, which are the provinces concerned. This committee serves as a forum for the discussion of problems relating to caribou management. Research information is provided to this committee on a regular basis and there is a pretty thorough discussion each year on management possibilities. I have every confidence that the government will act in accord in this respect. I think I can say that they have in the past.

Mr. Simpson: Has there been an open season in the last few years in any of the three provinces you mentioned. I do not recall one in Manitoba for a good number of years.

Dr. Munro: I do not believe so, Mr. Chairman. I can check this and let you know.

Mr. Orange: Mr. Chairman, I apologize for being late but I was at another committee meeting. If my questions have been asked I can defer.

Dr. Munro, as you know, there were outbreaks of anthrax in and around Wood Buffalo Park in the last two or three years. I think I can speak from a little bit of experience on this. I understand there was some confusion initially on who was to take control measures and be responsible for this.

Has a report ever been made on the cost of the control program, the number of buffalo destroyed as a result of anthrax, the effect it had on other wildlife in the area such as moose and birds, and the reaction of people down south, particularly in Alberta, to the potential threat of anthrax.

Dr. Munro: Mr. Chairman, Mr. Orange asked a number of questions.

Certainly the situation in the last four years has been much less serious than it was in the preceding several years. There were no deaths attributed positively to anthrax in 1965, 1966, and I think there was only one in each of 1967 and 1968.

I think it is correct to say that the vaccination program and the clean-up of diseased animals program has been very successful. We must always expect that there may be an outbreak because of the very persistent nature of the pathogenic organism. The spores of anthrax can persist in the ground for many years and if the right conditions come about they may become viable and may infect an animal.

At the present time plans are beginning to be implemented for the containment of bison in a number of very large control areas. In this way all of these herds can be moved more or less at will and can be brought in for regular vaccination. I think that the prospect of control of anthrax in the area is as good as it can ever be.

Have I missed a part of your question, Mr. Orange?

Mr. Orange: Basically I was interested in hearing about the cost. Also, is the Wildlife Service responsible for the control program?

Dr. Munro: No, the control program is actually carried out under the park's budget. Although we service the technical advisers and in effect have directed some of the operation, I cannot give you the figures for the cost of the control program.

• 1305

Mr. Orange: You mentioned having large herds in control areas for vaccination purposes. Would this mean a reduction in the number of animals?

Dr. Munro: No, this is not contemplated.

Mr. Orange: What is the buffalo population in the Park and outside the Park?

Dr. Munro: I believe it is in the order of 10,000.

Mr. Orange: What percentage is outside the Park?

Dr. Munro: I would guess about 20 per cent.

Mr. Orange: So you anticipate effecting these control measures without reducing the size of the herd. I presume you intend to fence these areas. How many miles of fence do you anticipate will be required?

Dr. Munro: I am sorry but I cannot recall.

Mr. Orange: It would probably take hundreds of miles of fence, would it not?

Dr. Munro: Yes.

The Chairman: Do you have any further questions, Mr. Orange.

Mr. Orange: No, Mr. Chairman.

Mr. Buchanan: Mr. Chairman, in looking at the figures here what concerns me a little is that the net revenue has remained relatively constant, around the 700,000 figure.

The Chairman: In what regard?

Mr. Buchanan: From licences. I am referring to the figures on page 226. As I said, although the net revenue has remained relatively constant the expense factor has gone up from roughly $2,900,000 for the past fiscal year up to a figure of $3,839,000 for this year. So that on the net figure, after knocking off the revenue, which is a constant, we have an increase of roughly 40 per cent within one year—or even looking at the gross figure, an increase of roughly 30 per cent. Depending on the viewpoint taken, there is either a 30 or 40 per cent increase within one year. This does concern me substantially in that I believe it is far beyond our capacity to absorb by increasing revenues. I do not know whether elsewhere in the budget we can look for comparable decreases to get the figures down to the manageable amount or not. Is this such a significant program in relation to the others within the Department that we feel it deserves priority, that it should be given a far greater increase than the others? Is this the thinking behind it or not?

Mr. Gordon: I have to check the percentages a little more carefully. Mr. Schultz could correct me if I am wrong, but as I recall, the percentage increase in the Wildlife Service Program was consistent with the increases elsewhere within the Department. Priority was given to Indian- and Eskimo-oriented programs particularly, and here I am thinking about next year where there is no increase in the conservation program.

Do you have a percentage figure?

Mr. O'Connell: I made the same calculations as Mr. Buchanan.

Mr. Gordon: You came up with the same answers?

Mr. O'Connell: I think he is substantially correct.

Mr. Gordon: Well, maybe so.

Mr. Buchanan: It is roughly 3,000,000 to 3,800,000.

The Chairman: I think it should be pointed out to the Committee, Mr. Gordon, that this $700,000 in revenue did not even exist two or three years ago. It was never considered even as an important factor in the expenditures that have been made and projected over the last few years.

Mr. Gordon: This is correct.

The Chairman: The conservation program as I understand it, Mr. Gordon, has never been based on this principle of getting a revenue back.

Mr. Buchanan: That did not start until 1966-67. If we ignore that, there is still a 30 per cent increase, and if we netted it, there is a 40 per cent increase in the net figures. But even 30 per cent, is, I think, a substantial increase in one year.

Mr. Gordon: Thank you, Mr. Chairman. You made the point that I was anxious to get across too, and also the point that the Wildlife Service was never intended to be self-supporting.

• 1310

Mr. Buchanan: I did not want to suggest that.

Mr. Gordon: I know it was not your intention.

These percentages may appear large in relation to the relatively low base of the Service. The figure now, for 1968-69, is $4.9 million. I think one must view the total job that the Wildlife Service is trying to do in relation to the Wildlife Service policy and program which was announced in the House. It was anticipated that there would be sharp increases, and one of the major areas of increase of course has been in connection with the land acquisition program. This has accounted for a substantial increase in the capital budget.

Dr. Munro just mentioned to me a comparison that might be made, that might be helpful in relation to the United States.

Dr. Munro: I could mention, Mr. Chairman, that the per capita expenditure on wildlife in Canada is about one-tenth of what it is in the United States. I once calculated also a relationship based on the area of land concerned, which is also significant. I cannot now recall it, but this information could be provided if you wish. I mention it as an indication of the importance that a highly industrialized,

heavily populated country places on this sort of activity.

Mr. Gordon: In 1966 a policy was announced which forecast an increase in expenditures, with the prospect of being able to do much more in this field than we have been able to do in the past. So the anticipation was that there would be some fairly sharp increases in the years to come.

Mr. Buchanan: Well, this was really my question, Mr. Chairman, whether we did in fact consider this such a high-priority item that we were prepared to give it increases which are substantially above the capacity to absorb in relation to the over-all increase in the budget.

The Chairman: I think the answer to that is yes.

Mr. O'Connell: I noticed that at the time the policy was accepted in Parliament—obviously 1966—revenues began to appear, and along the same lines as Mr. Buchanan, may I ask if there is any thought being given to an increase in the permit fees as the expenditure side grows?

Mr. Gordon: An increase in the fees will be considered, I am sure, as costs generally rise. We think the fee that is established now, amongst other objectives which Dr. Munro mentioned, does provide an opportunity for people who are hunting to make a contribution. I am not aware of any intention to increase the fees.

Mr. O'Connell: How many birds—is it easy to answer this—how many birds does the $2.00 fee entitle one to take. Does this vary a good deal? Ducks and geese?

Dr. Munro: Well, it entitles a person up to the legal limit per day, if he is skillful enough to do so, wherever he may be.

Mr. O'Connell: What is the legal limit, please?

Dr. Munro: It varies greatly by zones within provinces.

Mr. O'Connell: What is the total allowance per annum for ducks and geese in Canada under permits? Mr. Chairman, perhaps this could be given with the general information, with the other statistical information.

• 1315

Mr. Orange: To substantiate Mr. O'Connell's argument, the number of duck licences issued in the United States annually might be included in this. It is available from the Public Library, where I got it a couple of years ago. I got it for 16 or 18 states. It was something like 3,500,000 licences.

Dr. Munro: It is in the order of 2,000,000 in recent years.

The Chairman: Also the estimates by the U.S. Fish and Wildlife Service of the number of ducks and geese killed in the United States. I think this information would be useful.

Mr. Buchanan: Mr. Chairman, could we also find out what the fee is in the United States. Maybe that is known to Dr. Munro now.

Dr. Munro: I think it is $5.00, Mr. Chairman.

The Chairman: A federal licence rate?

Dr. Monro: Yes, which everyone in the United States is required to buy if they hunt migratory birds.

Mr. Buchanan: Mr. Chairman, I would be interested in some general comment as to what the effect would be if we put our fee up to $5.00. The obvious benefit would be a 150 per cent increase in revenue, but what do you feel would be the disadvantages of such a course of action?

Mr. Gordon: One of the objectives here is to enlist the co-operation and the support of hunters in the programs we have in mind. The $2.00 appeared to be a reasonable introductory level for the licence fee. I think there is a danger of too sharp an increase; this could build up resistance and perhaps reduce the area of co-operation.

Mr. O'Connell: Do you mean resistance or evasion?

Mr. Gordon: The results of the constructive things that we have hoped for from this permit have been excellent. I am subject to correction on this—the reporting and the rest—the response has been extremely good. I think it would be unwise to endanger this spirit of co-operation by what might be considered to be a punitive amount.

I am not arguing against what might be termed a more realistic fee structure, but at the moment it is my personal view that an increase too soon—two years ago there were no fees of this kind, and we started from zero. I am of the opinion...

Mr. Buchanan: Was there great resistance at that time?

Mr. Gordon: No, the response was very good, on the whole, partly, I think, because the dollar was always considered to be fairly reasonable. This is a subjective judgment and there is nothing arbitrary—

Mr. Buchanan: It seems to me that $2 fee is almost insignificant in relation to what one pays for shells and the other expenditures associated with hunting. A box of shells costs $5 or $6 now, and...

Mr. O'Connell: It is an opportunity for control, I suppose, as much as for revenue. Do you exercise controls because there is a licence? Is that part of the objective? You know who is hunting?

Mr. Gordon: It is more related, Dr. Munro, to statistics and to knowledge of what is happening; and it gives us an opportunity to design programs on the basis of an accurate census of the population and of the take in any given year.

It really relates, in part, to the questions you were asking earlier, Mr. O'Connell, about the percentage of the take and where the kills are taking place; this kind of thing.

The Chairman: I know Mr. Orange has a question, but I wish to express my personal opinion on this matter of a licence.

I have always been under the impression that the $2 was to be spent for specific projects within each province in Canada, such as to increase the migratory bird population. I am rather disappointed to learn that this is not the case.

• 1320

If we are contemplating raising the fees I think we have to show hunters in each area of Canada that this money is going to be spent to increase the game available to them. Mr. Orange.

Mr. Orange: I was not here earlier and I know the question was asked, but for my information can Mr. Gordon say when he expects the Migratory Bird Regulations to be changed to permit Indian and Eskimo people to take wildlife at any time of the year? This was indicated about six or eight months ago by the previous minister in a public statement, or in a speech to the Canadian Wildlife society, or some such group.

The Chairman: This question, Mr. Orange, was asked in detail by Mr. O'Connell. From the answers I gather that the matter is now under study, but no indication was given on when we could expect a decision.

Mr. Orange: As I say, a previous minister made this public statement, and he also indicated the same to me. It may be that his information was personal and confidential, and until I find out otherwise it should so remain, but he made a public statement, and the impression one gained from reading what he said was that the matter was under very active consideration and that a change would be forthcoming shortly.

Mr. Gordon: One of the factors in this, Mr. Chairman, is, of course, the process of consultation that is going on with the Indians across Canada today; and—

Mr. Orange: It really was not on that, though.

Mr. Gordon: The Indians have shown a great deal of interest in this particular matter in each of the communities.

Mr. Orange: Yes.

Mr. O'Connell: I have a supplementary, Mr. Chairman. Are amendments being proposed, either to the act or to the current regulations, excluding the question that we have been discussing, that is, of the conflict with Indian treaty rights? Are there other proposed amendments? Can the witnesses answer that? Is the Act being opened up this year?

Mr. Gordon: I expect that my Minister will make a statement about that at the appropriate time. The Act has been under study. It has not been amended—for how long?

Dr. Munro: Since 1951.

Mr. Gordon: The Act has certainly been under study in other areas as well. I could not give an opinion on when a change might be introduced.

The Chairman: If there is no further questions, would somebody move the adjournment of the meeting?

Mr. Buchanan: I so move.

The Chairman: Meeting adjourned.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

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ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, NOVEMBER 19, 1968

Revised Main Estimates (1968-1969)

WITNESS:

The Hon. Jean Chrétien, Minister of Indians Affairs and Northern Development.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29269—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Howard (*Skeena*),	Simpson,
Borrie,	Laprise,	Smerchanski,
Buchanan,	Marchand (*Kamloops-*	Southam,
Cullen,	*Cariboo*),	St-Pierre,
Dinsdale,	McKinley,	Thomson (*Battleford-*
Durante,	Nielsen,	*Kindersley*)
Duquet,	O'Connell,	Watson,
		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, November 19, 1968
(5)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:12 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Laprise, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (12).

In attendance: The Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development; *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); J.-B. Bergevin, Assistant Deputy Minister (Economic Development); W. D. Mills, Departmental Secretary; John Rae, Executive Assistant to the Minister.

The Chairman introduced the witnesses from the Department and called item one, Departmental Administration, of the Revised Main Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1968-69.

The Minister, the Hon. Jean Chrétien, made a statement and was questioned.

On motion of Mr. Badanai, it was
Agreed,—That the Committee adjourn to the call of the Chair.

At 1:04 p.m., the questioning of the witness continuing, the Committee adjourned to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

29269—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, November 19, 1968.

• 1109

The Chairman: Gentlemen, I see a quorum. We are very happy this morning to have with us the Minister of Indian Affairs and Northern Development. We also have with us Mr. John Rae, Executive Assistant to the Minister; Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. J. B. Bergevin, Assistant Deputy Minister (Economic Development), who has recently come to us from Quebec City—bienvenue Monsieur Bergevin—and Mr. W. D. Mills, Departmental Secretary.

• 1110

I will now call Item 1 of the Revised Main Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1968-69.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Chairman, my dear colleagues, first of all I am glad to have the opportunity to speak to you today. Before going into my presentation I would like to assure every one of you of my collaboration, and I would like to make all the services of my Department available to any one of you.

I know that the problems that we face in our Department are very large in scope and there is a variety of subjects and many of you may have specialized interest in them, so I made arrangements with my Department and I would like to offer that to you. If it is possible perhaps once a month, Mr. Chairman, you can organize a meeting at the Department with the members of the Committee to get acquainted with the personnel of the Department, and to be briefed on some aspects of the Department. We have some films that would be very interesting for the members to look at concerning aspects of the Department. So whenever you would like to have that kind of briefing at the Department I will be most happy to make certain that these services will be available to you.

I want to speak to you today about the objectives of the government in the fields in which my Department has responsibility: Indian and Eskimo peoples, the development of Northern Canada, and conservation. I will then go on to outline some of the reasons why the Department was recently reorganized to better accommodate those fields and to increase its capability in reaching out toward its goals, and then I want to outline the programs and policies of the Department in all these undertakings.

The Indian and Eskimo people have their own objectives and goals; it is not the responsibility of the Government to define them. The departmental role is to establish its own policies so that Indian and Eskimo individuals can determine and reach their own goals within the framework of Canadian society.

It is the objective of the Government that Indian and Eskimo people shall be able to choose their goals for themselves and have the capability training and the clear right to set about achieving them. There should be no social barriers preventing our Native people from pursuing their aims within our society, and they must be given the opportunity to draw upon the resources of society to provide them with the necessary training and other assistance to bring those goals within their own reach. They must have the same degree of self-governing local institutions as other Canadians. They must have access to the same institutions and programs of government as other Canadians. They must have the opportunity to achieve for themselves their own aspirations.

Northern Canada must be developed to the greatest extent which is economically feasible, and the degree of development must be enhanced by appropriate government action to make possible developments which, unaid-

ed, might lie fallow for too long. Development must take into account both Natives and others, and it must be in the best interests of both Northern Canada and the nation.

• 1115

Northern development must provide jobs for Northerners and it must enhance the country as a whole. It must keep pace with what can be done with the latest technology and it must seek new technologies to speed up that pace.

Our Conservation program must seek to conserve and perpetuate the natural resource of the wilderness, wildlife, the historic past, and those special portions of our natural environment threatened by advancing urbanization.

The Department must seek to improve Canada's natural environment by conserving those elements of it which are threatened, and by enabling Canadians to refresh their identification with nature and the country as it once was. It has an obligation to perpetuate the wildlife species with which this continent is blessed and which are threatened by changing ecology, and it has an obligation to preserve those mementoes of the past which enrich our sense of history, of the greatness of the past and which in turn will enrich our sense of the possibilities for our posterity.

These are the elements which compose the Department. As you know, the responsibility for Indian Affairs was joined with the other areas of responsibility in January of 1966. It was apparent at that time that the internal organization of the Department could not meet the needs of the total field if it operated in a compartmentalized manner. There would be duplication of expertise in such fields as education and welfare—for both Indian Affairs and Northern Administration were concerned in these areas—but more seriously, elements of the Department would not have full access to specialized knowledge which was available in other fields. I am speaking of specialists in such fields as mineral development, economics and such. It was decided therefore to proceed to organize the Department on functional lines.

The position of the Indian and Eskimo people is this; both are aboriginal to Canada, both have therefore certain claims on the Canadian Government. Some of these claims have been recognized in treaties signed with certain Indian Bands. Other Indian Bands and the Eskimo people have no treaties at all. While there are certain differences in the treaties, they are not as significant as the similarities. It has generally been held, and I think that all of you will agree with me that it is the general view today, that rights and benefits recognized for one Indian Band are pretty well applicable to all other Indian bands. The differences in treatment and programs for treaty and non-treaty Indians are minimal and minimized. The benefits extended to one Indian are extended to all. It is not acceptable to suggest that because there are no treaties with the Eskimo people that they have fewer aboriginal rights than do the Indians. It is not acceptable to suggest that because a band did not sign a treaty—often because no treaty was offered—that they should be deprived of programs under which other Indians benefit.

Therefore, it became apparent that in a broad way, the same services are required by both peoples, the same programs are necessary, the same specialized expertise is required, and so the functional concept became the logical one to follow. This we have done. I stress that the reorganization is a restructuring of the functional responsibilities within the Department. The only change it will make in the programs and policies of the Department is to make them more efficient, to allow decisions to be made more promptly, and to ensure that the work load is spread more evenly over responsible officers, each of whom has clear responsibilities for program areas which are closely related to their expertise. My Deputy Minister, Mr. MacDonald, will be available to discuss this aspect of the Department more fully with you.

• 1120

If you want to use your earphones, I will speak in French for a while and after that I will come back to English. As we are a bilingual country, I want to show you that I can still speak French.

[*Interpretation*]

The Social Affairs Program of the Department concerns itself with community development, welfare, education and other social matters in the Indian and Eskimo communities and in areas where these people are living. Its policies are intended to ensure that Indian and Eskimo people have the equality of opportunity about which I have spoken. Its aims are to assist the Indian and Eskimo peo-

ple to achieve equality of opportunity in society, in education, in employment and in health; equality of opportunity in those things which are fundamental to any person wishing to take his proper place in Canadian life. If they are to have freedom of choice as to the type and kind of life they wish to lead, they must be equipped to select for themselves from the same range of opportunities as other Canadians have available to them. This means education which makes the individual eligible to follow his chosen way; it means health which will meet the strains of that choice, and it means social acceptance.

This calls for a very broad range of support services for individuals and communities. It calls for the sweeping aside of barriers which have become fixed in place over the years, and it calls for co-operation and assistance from many agencies of Government—federal, provincial and local. It calls for co-operation from Canadians in many areas of activity, from business, from trade unions and from those in all areas of activity which attract Indian and Eskimo people as individuals or as groups. The Department's policy is to encourage the institutions of local government in Indian communities and in the North. There are now 208 Indian Bands managing their own funds under Section 68 of the Indian Act. There are over 150 bands administering programs under the Grants to Bands Program which makes money available to band administrations to operate and manage programs formerly carried out by the Departmental staff.

This considerable diminution of the role of the Department in local affairs is a step forward which is welcome. It is an achievement on the part of the Indian people which speaks well for the future. As the band administration grows, the Department will be able to withdraw from such local matters and more and more bands will add to their capability and experience.

The number of programs being administered will enlarge, too, and thus the great strength of sound local government will be added to the Indian community. The Educational program is progressing on the basis of making integrated schooling available with the consent of parents wherever this is possible. This policy provides for integration in nearby schools and transportation to and from home wherever this is possible. While we can provide elementary schools in many reserve communities where there are no convenient publicly operated schools, we believe that it is not sensible to attempt to provide High School classrooms and we enroll these students in public institutions at every opportunity.

• 1125

This policy has justified itself in the better academic record of students. They have suffered less from age/grade retardation.

Eighty five per cent of those students who first entered school in 1945 were age/grade retarded by 1951, when they should have been entering Grade V. Only 13 per cent of those who entered in 1960 were so affected by 1966. This turn around is not the final answer of course. The rate is still too high and there must be further efforts made to accommodate the children within the system and to ease the adjustments.

There is still a serious problem in the High School years and we continue to work to diminish the waste of High School drop-outs. The adult education programs are proving valuable in bridging the gap for those who, in earlier years dropped out of school—too often at a Grade level much below High School. In a way, this is a measure of progress; where once we were concerned that too few entered High School, we are now concerned that too few finish.

The expansion of the kindergarten program continues both in Northern Canada and in Indian communities. Both Indian and Eskimo children are assisted considerably by a pre-school program. The handicap of language hampers them but with the use of teacher's aides, pre-school classes and other programs, these handicaps are much diminished.

In a number of places, the Department is assisting in community programs to enrich the Indian children's knowledge of their own language, legends and the lore of their people. I hope this program can be expanded under our Cultural Affairs Section for it is a necessary support to a sense of identity.

Community development has been employed as a useful means of changing attitudes and of helping to identify needs. The Department has recruited a corps of specialists who are posted to communities to meet and work with the people to help them bring about the kind of atmosphere in which a free exchange of views and ideas will help to define prob-

lems and evolve solutions. The solutions require a broad range of support from all elements of government and society, but the spirit of community development has helped the Department to understand the complexities of many situations and, I believe, it has helped the Indian and Eskimo people to undertake more and more of the responsibilities within their community.

In some instances, the Department employs these community development workers directly, in some, they are employed under contract through other agencies and in some, they are employed by the provincial government. They are all part of community development, many are Indians themselves, and they have been most effective. Community Development in Northern Canada has followed the same pattern except that up there, where distances are so vast, we have tried to make every employee sent into remote communities a community development worker. The physical standards within the Indian and Eskimo communities have been a major concern of the Department. Since 1965, over 5,500 new houses have been built for Indian and Eskimo families. There are a variety of programs available. In Indian communities, the Department makes grants of up to $7,000 a house to assist in the building program. For Indians who have left their reserve communities and who have employment, the Off-Reserve Housing Program provides equivalent grants which are made in the form of a forgivable loan. If the borrower remains in the house for ten years, the entire amount is wiped out. The Department has built approximately 915 miles of roads and has extended electricity to 219 communities and 5,076 houses since the inception of the program in 1965.

In the North, the housing programs provide Eskimo people with decent shelter often for the first time. In many communities, the modern house has replaced the appalling conditions of the past and the health of the community reflects the improvement.

• 1130

The welfare program is keeping pace with similar programs available to other Canadians. Welfare in Indian communities is paid at the same rates and under the same regulations as other communities in the province. In the North, the aim has been to provide adequate welfare in a way and on a scale which takes account of the special Northern conditions.

In the spring of 1969, the welfare programs in the McKenzie area will be taken over by the Territorial Government and in 1970, the welfare program in the Eastern Arctic will be assumed by that agency. The Department's role will be that of a support unit with expertise available if required. It is my intention to press the provincial governments to recognize the claims of the Indian people, as citizens of Canada to the same services and treatment as all other Canadians receive. I hope that further agreements can be made to provide services to Indians from the same agencies as other Canadians turn to in times of stress. I intend to take every opportunity to press this point. Within the Department, there is now established an Indian-Eskimo Bureau which has the responsibility of maintaining a dialogue with the Indian and Eskimo people. This is the group who will develop consultation procedures on programs and policies of the Department. We have now completed all but four of the initial round of meetings with the Indian people on the revisions to the Indian Act. It would be premature for me to anticipate what the remaining meetings will say and so I do not wish to comment on any of the suggestions made up to this time. However, I can say that there will be more consultation about the proposed new Act. I can say that there will be continuing consultation about programs and policies and as time goes on, I hope that the flow of information will grow and develop so that the Indian communities needs can be met.

[*English*]

The next major area of the Department is the economic development program, which will have as its primary objective the expansion of economic opportunities in the North and for the Indian and Eskimo people throughout Canada. In order to achieve this, various specialists within the Department have been brought together under the one program. These include those dealing with the development of small industries, both in association with Indian communities and throughout the North generally; those associated with natural resources management, including minerals, oil and gas, water, forests, and surface lands and those associated with broad economic planning, analyses and regional development.

• 1135

It is the intention of the government and the Department to place particular emphasis on the development of sound economic opportunities for our native peoples and for northern residents, and I believe we have now developed an organizational concept that will ensure positive results. After all, there is little point in bringing to the Indian and to Northern peoples generally the benefits of our social programs, particularly education, if there is no opportunity available to the young boy or girl or for the vocational trainee once they graduate. It would indeed be most discouraging if, having made the great effort of acquiring useful skills, the graduate then has to rely on social assistance or less challenging work because there are no alternative opportunities available to him. In the North we are taking aggressive steps to attract major industry development, particularly in the fields of oil and mining, and hopefully within a short period, forests as well. To do this we have incentive programs such as assistance for road and airstrip construction, assistance for exploration expenditures, and the provision of townsite development, electrical power development and communications on a recoverable basis at reasonable rates. In addition, in the more remote regions of the North, the government has encouraged the formation of an oil exploration company in which it has taken direct equity interest, and I am sure you are familiar with the Panarctic project for oil exploration of the Arctic Islands, in which the Government of Canada is in the process of investing $9 million in return for 45 per cent equity interest. These programs are now beginning to pay off with new mines, new oil and gas fields, accelerated forest development and increased exploration. However, we cannot afford to stop; there is much of the North that is still underdeveloped and still lacking in many of the facilities generally considered necessary in order to attain a reasonable living standard in Canada today. We must continue to support major resources development in the North, but at the same time we must ensure that northern residents, particularly the native people, benefit from the activities that are going on today. We have recently applied far more vigorously our policy of requiring that where private resources developers seek and receive support from the government, they undertake, in return to give employment to local residents. It is now up to us to try to ensure these residents are encouraged to take advantage of the opportunities thus created and to acquire the skills necessary. Although we are insisting that employers provide reasonable on-the-job training, it will be appreciated, I am sure, that in return the employer expects the Northern residents to have a certain minimum degree of skill and training. Again, it is not going to be easy to ensure that training programs are co-ordinated with the work opportunities that become available.

Although we must place greatest reliance for the creation of Northern wealth on the natural resources of the region with particular emphasis on oil and minerals, the benefits from this sort of activity are likely to be longer term and we must therefore continue to press for the creation of industrial employment opportunities to attempt, in part at least, to meet the urgent requirements of today, and here I am thinking not only of the requirement of the Northern peoples for opportunity, but also our Indian in the more remote parts of southern Canada. This is where our industrial and small business development programs will have their effect. These will be developed and encouraged as appropriate in full consultation with the people whom we hope will benefit. Where Indian reserves are involved, we will be seeking not only to encourage the establishment of more industries on or near the reserve, but also to encourage the Indian bands to plan and develop the full economic potential of the reserves, including their natural resources. Some reserves are rich in minerals, oil, water and forests. Others have potential for tourism, fishing and hunting, and others contain lands that could be developed on a lease basis for commercial purposes. We seek to bring these potential opportunities to the attention of the Indian bands concerned and to encourage them to take advantage as they deem appropriate. The primary objective, in addition to employment opportunity and income generation, is the acquisition of training and experience by Indians so that they can assume more responsibility for the management of their own assets.

• 1140

The third approach under the economic development program is long-term planning for regional development both in the North

and in association with Indian reserve communities. This requires analysis of data and evaluation of the resource potential to establish priorities. The Yukon economic study has been carried out by the firm of D. W. Carr and Associates, while other studies have been undertaken to establish the feasibility of a smelter in the area of Pine Point, N.W.T., and a study on transportation in the Yukon by Travacon Research Ltd.

The analysis of resource economics varies from cost-benefit studies of a particular mine or processing enterprise to the consideration of the economies of broad programs as to the effects of Canadian taxation laws on the development of the North. Such programs have to take account of problems of labour supply, of the needs of Indians and Eskimos, the amenities of life, such as television coverage as well as the economics of alternative types of townsite and housing development. Studies of the potential of Indian lands are made as our budget permits. The proper evaluation of possible development is essential for good planning. The administration and development of territorial land, composing 40 per cent of Canada's land mass, imposes responsibilities of its own and extends to Northern water resources the development of appropriate water rights and water pollution control. Studies have been initiated to consider the hydroelectric potential in relation to the future demand. From such studies long-term planning programs can be established. Studies are being made to establish a northern parks program and to provide adequate game.

[*Interpretation*]

• 1145

The elements concerned with conservation continue to be grouped together. The National Parks, National Historic Parks and Sites, and the Canadian Wildlife Service have common bonds, common needs. The National Parks are dedicated to the people of Canada for their benefit, education and enjoyment, to be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations. The present National Parks Policy was announced in 1964. It has gained acceptance by most concerned Canadians. We cannot allow our parks to be exploited for their mineral and forest wealth—that is recognized and accepted by all but a few—can we exploit other aspects of the parks? I would like to quote from a speech I delivered to the Canadian National Parks Conference in Calgary only last month which touched upon this point.

> "The principle of conservation and national parks in Canada originated here in the West. The principle is a simple and important one, and it is this—the natural beauty of Canada is a fundamental part of this country's national heritage. We must consciously preserve this part of our heritage so that our children, and our children's children, can share and enjoy the same natural beauty of the land which our fathers and father's fathers had the foresight and balanced sense of values to leave for us today."

As the population of Canada grows, so will the demand for more national parks. Our policies, therefore, must be directed to making available additional areas and to acquire, where possible, these lands at prices that do not put them beyond the reach of the public purse. I want to reiterate that while the National Parks system has had extensive facilities provided at considerable cost, it is not their purpose to provide for every recreational need. Other parks systems have a role to play—other facilities must meet some of the needs. We could not allow the use of the parks for unlimited residential construction. We must limit the growth of park townsites where they are required to meet the need.

The permanent or continuing occupation of park land for residential purposes, is wrong in principle.

The proof of the value of the National Parks is evidenced by the number of visitors who go to the Parks to enjoy the magnificent scenery. Each year, they have steadily increased and for 1967 a total of 10,918,169 persons availed themselves of this opportunity.

The park administration can be divided into a number of important functions. These include:—

1. The conservation of forests and wildlife, and protection of visitors.

2. Development of the natural attractions and the interpretation of them for Park visitors.

3. Land management, townsites and visitor service centres, collection of rentals and transfer of leasehold titles.

4. Issuing the appropriate permits and licenses, and assisting RCMP Funds are provided by the Department for major construction such as highways, buildings, and so forth and contracts are administered by the Department of Public Works. However, there is a need for specialized engineering staff to work with park planners and landscape experts.

Although the majority of visits to the National Parks occur during the summer months, we have encouraged for some years past the development of winter sports where suitable conditions prevail. Skiing in the National Parks is linked closely to the location of the Parks in relation to large centres of population and available highway access. The economics of an operation are vital to an operator and important to the Department since failing or marginal operations are unsatisfactory from our standpoint.

While we remain gratified that the existing National Parks are being used for the purposes intended, and that the present system has gone a long way to meet a need, it is apparent that the present system is inadequate. One has only to look at a map of Canada to realize that our National Parks are unevenly distributed, and although the present system originated in Western Canada, there is an urgent need to establish parks elsewhere so that all parts of Canada can share in the benefits of what must become a truly national policy.

• 1150

Another important element of the conservation program is our system of National Historic Parks and Sites from coast to coast.

The Historic Sites Service Policy Statement, which was tabled by my predecessor in the House on March 4th this year, governs all the planning and operations of the National Historic Sites Service. It is believed to be the first Statement of its kind to be formulated anywhere.

Canadians have an immensely varied and colourful history, a fact that we are at least starting to appreciate. While the Centennial of Confederation last year undoubtedly helped to stimulate public interest in our history, interest on the part of Canadians in their national historic parks and sites started to grow quickly long before 1967.

In fact, in the 5-year period 1963-67 attendance at our national historic parks exactly doubled and now stands at more than 2½ million. I am happy to say that attendance has continued to increase.

The National Historic Sites Service is responsible for planning, developing and operating our National Historic Parks and Sites from coast to coast and including northern sites. As with our national park system, there are also serious imbalances, thematic as well as geographical, in our historic park system.

Too many of our present parks emphasize military aspects of our history at the expense of other equally important social, political, economic, cultural and ethnic themes. We as yet do not have enough historic parks in western Canada, and in fact have none at all in Alberta and the Northwest Territories.

To correct these imbalances, the National Historic Sites Service is continuing its efforts to acquire and develop new National Historic Parks and Sites.

In the past 18 months some eleven parks, in various states of development, have been or are being added to the System. One of the most interesting of these is the proposed park at Nootka in British Columbia. This site, off the west coast of Vancouver Island, will be the first national historic park to be established on Indian land, and will commemorate, in addition to the rich culture of the Nootka band, the scene of the only Spanish settlement in Canada and the early European exploration of the Pacific northwest by Captains Cook, Vancouver and Quadra.

Negotiations for other important parks and sites are at the moment going on with a number of governments and other parties, and I expect that another 16 parks across Canada will be added to the System in the next 2-3 years. This means that the number of national historic parks is likely to more than double between 1966 and 1971.

The biggest single park in the System continues of course to be Fortress Louisbourg, which is to be completed in 1972. This is probably the biggest historical reconstruction ever undertaken anywhere, and will provide a unique historical attraction, comparable only with Williamsburg.

• 1155

I greatly value the advice and assistance I received in this field from the Historic Sites

and Monuments Board of Canada. This statutory body appointed to advise me on all national historical matters numbers amongst its members some of Canada's most distinguished historians and archivists. It meets at least twice yearly, and also works through a number of functional committees. Finally, in the field of conservation, we come to wildlife and the Canadian Wildlife Service. Wildlife, and the environment needed for its existence, is part of our historical and cultural heritage. It is a renewable resource of very real economic and recreational importance attracting large numbers of Canadians and foreigners who come to those great areas which exist in every province, where abound many species of waterfowl, big game, and fur-bearing animals.

Jurisdiction over wildlife in Canada is divided between the provinces and the Federal Government. However, full discussion with the provinces had indicated the need for a sound policy for wildlife management, both in areas of research and in the implementation of policies on utilization and protection of species.

As a result, the Canadian Wildlife Service will undertake research basic to the management of wildlife under provincial jurisdiction at the request of the provinces. The services of biologists and other personnel are available to the Commissioners of both Territories, and to other parts of the Department concerned with the affairs of our indigenous populations, as well as to the National Parks administration. The Canadian Wildlife Service maintains close association with its counterparts in the U.S. Bureau of Sport Fisheries and Wildlife, particularly where the Migratory Birds Convention Act is involved. This includes collaboration in undertaking programs of assessing North American waterfowl populations and of keeping the public informed on the dangers which beset those populations as civilization inexorably encroaches on their habitats. Both in Canada and in the U.S.A., we are becoming alarmed as industrial and agricultural development takes over natural waterfowl areas. We have a program by which we can purchase or lease suitable areas from farmers and landowners for improving and maintaining those areas for migratory birds. Ninety-five bird sanctuaries are now established under the Migratory Birds Convention Act.

In total they represent some 44,000 sq. miles. The cost of operating the Canadian Wildlife Service in 1967 was on a per capita basis 19 cents. This compares with the U.S. figure of 20.6 cents. If, however, expenditure is based on per square mile, it costs Canada $1.01 while in the U.S.A, including Alaska, it became $11.40 per square mile.

[*English*]

I have spoken today on the elements that compose the Department. I have touched on the programs and policies. I have not dwelt at length on the philosophy which I bring to the decisions I must make, nor do I want to do so at this time.

• 1200

I do want to say a few words about the rather special situation in respect to the Indian and Eskimo people. If we are to make progress here, and progress must be measured in terms which are acceptable to the Indian and Eskimo people, we must not make judgments based on our own standards and values. Both these peoples have their own views about what they seek and how they wish to live. These must be taken into account. We must learn, to accommodate ourselves to the viewpoints of others, we must be prepared to change ourselves as readily as we are prepared to give advice to others. It is not necessary for Indian people to give up their Indian identity in order to establish themselves with an acceptable standard of living. They may have to adapt some of their values and ideas to accommodate the society in which they earn their daily bread, but that society may have to change some of its ideas too. Each must yield something if the two societies are to fit together in harmony and ease. Chief Dan George of the Burrard Indians has said that when the Indians of the West Coast wanted to make a dugout canoe they hollowed out a long straight cedar log and then sought another piece of cedar appropriately shaped to provide a prow for their vessel. They brought the two pieces of wood together and rubbed them, one against the other until they had a perfect, watertight fit. That is how it must be with two cultures, said Chief George, they must rub against one another, neither giving any more than the other, until they achieve a perfect fit.

The government cannot do this by itself. It requires the sympathy, understanding and assistance of the people. The Indian people

require the sympathy, understanding and the assistance of the Canadian people. The requirements start here in this committee room and extends, through the mechanism of government, out into the mainstream of Canadian life, reaching to the remotest corner of our land. If those needs are met, the problems can be solved, as they have been solved by many Indian people who are achieving their own goals in their own way.

So, my good friends, I want to thank you for your attention and I will be available to reply to your questions if you have any you wish to ask me. Thank you.

The Chairman: Thank you very much, Mr. Chrétien. Do you have some comments you would like to make, Mr. Simpson?

Mr. Simpson: Mr. Chairman, I am sure I speak for everyone present when I say that we are very pleased to have the Minister with us today at our meeting. I have a series of questions that I would like to pose. I think, however, that I will defer them at this time as they are quite lengthy. Possibly if anyone else has a few questions they wish to start off with that I will let them go ahead and then I will get to my questions later.

[*Interpretation*]

The Chairman: I have a request from Mr. Laprise to ask questions. Mr. Laprise.

[*English*]

Mr. Nielsen: Could we find out first, Mr. Chairman, if the Minister will be at any of our subsequent meetings.

Mr. Chrétien: I will be available. I have to travel a bit, you know, I have quite a large territory, and since I have become the Minister, I have been trying to visit as many places as I can. I will try to be available at any time you wish. We can work out some arrangement. I do not know when you have your meetings but Tuesday morning is very convenient for me. Unfortunately, however, I accepted a request a long time ago to be present at the annual meeting of one of the Indian brotherhoods, in B.C. next Tuesday, so I will not be here. I will be available on Thursday or tomorrow afternoon.

• 1205

Mr. Nielsen: Some of us would like to defer our questions until the Minister is with us again. Naturally, as I am sure the members will appreciate, some of us have more questions to ask than others in view of the—

Mr. Chrétien: Perhaps we can decide on the procedure, because there are many aspects of the Department for us to discuss. Perhaps we can touch at different times on Indian Affairs, the North and conservation programs.

Mr. Nielsen: Of course, my questions will principally deal with policy, but I could defer until Thursday.

The Chairman: Unfortunately there is no meeting scheduled for Thursday because there is simply no room available that day. We are trying to work out a schedule with the co-ordinator of these committee meetings. They do not like our setting up committee meetings more than about a week and a half in advance, and yet this makes it awfully difficult for the officials. We are going to try to work this out this week. Hopefully the Minister will be back with us a week and a half from now, the following Thursday.

Mr. Chrétien: Yes, I will be here then.

The Chairman: If we can arrange for a room. The members of the Committee will be adequately informed in advance. I now have a question from Mr. Laprise.

[*Interpretation*]

Mr. Laprise: Mr. Chairman, thank you. Mr. Minister, I am somewhat in the same situation as Mr. Simpson. I found out only a few minutes before the opening of the meeting this morning that you would be here for the time being, however, I shall ask only a few questions.

First of all, I would like to thank you for the very good statement you made this morning and which is full of optimism. I think that we can look with confidence to the future of the Northwest Territories and especially of the far North of Quebec of which I represent a very large area. I think that we still have a lot to do in that area in particular, and I wonder if you could inform us about the various projects of the Quebec and Federal governments regarding this part of the country which are of interest to Indians and some Eskimos?

Mr. Chrétien: With regard to the relations between the Federal government and the provincial authorities since I have been Minister, I must say that I have not encountered any serious problems. We operate on the principle

that it is first of all up to the Indians themselves to make decisions. But in Quebec, like in the other provinces, we apply a policy enabling Indians and Eskimos to have access to the same services as other Canadians within the province. But all that must be done in accordance with the interest of the Indians or the Eskimos while keeping in mind their aspirations. Whenever we can offer them some kind of solution we try to consult them. The important thing, however, is to make sure that everything is handled through consultation between the two governments and people concerned, and that is what we have done, at least, since I have been with the Department and, I must add, without meeting with great difficulties. And there have not been any major developments in that area during the five months that I have been in office. That is about all I can say right now. We pursue the same policies as we have in the past, using the principles that I just mentioned to you.

• 1210

Mr. Laprise: Now, I should like to...

Mr. Chrétien: I would like to add that economic development, in your riding, which is very important,—I know you represent the largest constituency in Quebec, i.e. all of New Quebec—as I said, the economic development of that sector is not my responsibility, but that of the provincial government.

Mr. Laprise: This morning, I would like to deal with a specific area that covers three posts. I don't know what importance your Department lends it, i.e. Rupert House. I have just been given a map. I see to my great surprise though, that this area which includes three Indian posts, namely Rupert House, Nenaska and Eastmain, is not on this map. I have a report here stating that in Rupert House 90 per cent of the population is unemployed. I would like to know if you have some kind of program which would solve this problem of unemployment in these Indian posts?

I think it would be very important if we could give them jobs enabling them to earn their living. I have a quotation from the chief of Grande-Baleine, who says: "Like any one else in the world, we have to live with the income we have". I think it is a very fair statement, and if we could improve their lot with regard to employment, it could be a very great step forward.

Hon. Mr. Chrétien: I appreciate your concern, Mr. Laprise, regarding the three posts. Obviously, in these are the northern areas the economy is often quite marginal and it is not too easy to promote economic development so as to provide Indians living there with permanent employment. We have programs the purpose of which is to bring about the necessary development. But you will understand that a lot remains to be done. Moreover these are generally communities which have lived in a traditional way, from hunting and fishing, and which today would like to enjoy the same standards of living that we have in the south. A readjustment is called for that will take a few years to achieve. But anyway, I make note of your representations and I'll ask the officers of my Department to study in greater detail the economic situation in this corner of your riding.

Mr. Laprise: Another question. And this has to do with the consumption of spirits in Indian centers. I have noticed that is a problem that exists just about everywhere in the north, particularly in New Quebec. I have a sad report on the situation. Do you have any authority to fight drunkerness in this area of Quebec?

Mr. Chrétien: Our authority in this matter applies to all reservations, with the exception of some reservations which can ask the right to buy or sell liquor within the limits of the reserve itself. It should be noted however, that if, for instance, no authorization has been granted to trade in alcoholic beverages, the source of the problem of drunkenness is often to be found outside of the reservation. They go to supposedly more civilized areas, and that is where they get used to drinking. Drinking is definitely a very serious problem in a good number of Indian localities. We have a program in our Department which enables us to make studies to try and find the causes of this and find a method to remedy the situation. But I think the best method is to offer the Indians better economic conditions or to stimulate their ambition and their pride. Then, when they reach that level of development, they'll probably want to behave themselves very well in public. It is obvious that if they continue to drink, they will no doubt be able to do it in a more rational matter.

• 1215

But, as you understand, this question of drink is a problem in every area in the process of development. You are as well aware as I am that, in my riding as well as in yours, wherever new areas are being opened up the same situation always crops up. I remember, for instance, that in localities of my own riding which was developing when I was a boy, one could often see people drunk on the street. And twenty years later, with these localities having reached a more advanced stage of development, people there may drink as much but not on the same day. It is a matter of their social and economic evolution. However, the situation is very serious on a number of reserves, and we may perhaps be able to improve the situation with the help of social workers who would explain to them the disadvantages of excessive drinking. In our program for the Indian and Eskimo reserves, we try to bring about improvements to enable social workers to give them an appropriate education in this matter.

Mr. Laprise: One last question, I think, for this morning. I have a number of others, but I think I can get information from your officials. In your statement, you mentioned the building of houses in areas such as Rupert House, in particular, where, I am told, there are only half a dozen houses fit for habitation, there are 32 tents and 35 cabins that have only two rooms for eight to twelve people. Do you also have a program for this kind of posts?

Mr. Chrétien: We have a building program for all Indian reserves according to which all Indian families were to have appropriate housing within a period of five years. But because of certain money restrictions, the program extended over a period of seven years, and we are now in the fourth year of this program's development.

Naturally, I would have liked it to go much faster, but anyway, the Department's policy is that we want to give a house fit for habitation to each Indian family and also to future families, i.e. those that exist at the present time and the new homes that are being created every year. I think that in a society such as ours, we have specific obligations to make good the lag in providing living accomodation for these people. There are areas where deplorable conditions still exist, and others where we have made considerable progress, but I must add that we had a great deal to achieve and still have a long way to go.

Our final objective is to give a decent house to each Indian family.

Mr. Laprise: One other question just occurs to me, sir, with regard to small Nemaska post. Does your Department intend to close it and to move it to Rupert House?

Mr. Chrétien: Right now I cannot answer that question, Mr. Laprise. But I will try to get some information and I will give it to you at the next meeting or I will write to you.

[*English*]

The Chairman: Mr. Badanai?

Mr. Badanai: Mr. Chairman, I am very much impressed by the comprehensive statement of the Minister. He has taken a policy which no doubt will prompt questions on the various aspects of the program. At the moment, however, I wish only to express my own personal appreciation to the Minister for this statement which should go a long way towards reassuring the Canadian people of the government's intention to deal fairly with the Indians and the Eskimo, and also to intensify the development of our national resources north of the 60th parallel.

I have several questions to ask on the educational facilities available to Indians in northwestern Ontario especially, but I shall defer doing so in order to enable all members of the Committee to ask questions of the Minister on the policy statement he made this morning.

The Chairman: Then we will come back to you on the next round. Mr. Southam?

Mr. Southam: Thank you, Mr. Chairman. I should like to associate myself with the remarks of Mr. Simpson and other members of this Committee in complimenting the Minister on his very comprehensive statement here this morning dealing with all the various facets of his Department.

• 1220

Incidentally, it has involved most of the time of the Committee this morning and, of course, it is only proper that we should have this full statement.

Going along with the Chairman's remarks of a few moments ago, I think we should set up an agenda relative to the work of this

Committee so that we can have the Minister here at a future date—if at all possible on several occasions—because, judging from his remarks and from the remarks that have already been made in the Committee this morning, we are going to be involved in quite a few discussions of the problems of Indians and Eskimos, our native peoples.

I feel that only the Minister himself should be here to get the benefit of our views before we can make positive decisions along these lines. I do not want to involve the Committee in too many questions like some of the other members this morning, but I would like some information.

While I was in Saskatchewan a couple of weeks ago on another business mission I was in Saskatoon, and I was approached by a delegation of seven Indians headed by a Mr. Howard Adams, a very articulate advocate for Indians. His problem revolved around the meeting that was held recently in Saskatchewan, I believe on September 16, where representatives of our Department of Indian Affairs were in attendance, supposedly getting views of the native people with respect to amendments or revisions to the Indian Act.

I was wondering, Mr. Minister, whether any of your officials here this morning were at that meeting who could give me a report of what went on there, because the representation that was made to me on November 8 was not a very happy one and I should like to get the other point of view. I have the Indians' point of view and I should like to hear the Department's point of view.

Mr. Chrétien: I do not know what you are referring to, Mr. Southam. In some places some of the Indians have complained because we had to make a decision to decide who should be there. We decided that really the way to discuss matters with the Indians was to ask their Chief to represent them. In some instances there are some Indians who do not agree with their representative. They say that this Chief has not been properly elected, or that Chief does not represent the majority view, only 30 per cent of the population that voted at the election, and they do not represent the real view of the Indians. Some have formed marginal associations and they wanted to be heard.

I know there was a problem, and I could give you a more detailed explanation next time. I was not there. My Minister without Portfolio was there and those who were at this meeting are not in Ottawa, because there is a meeting today in Chilliwack in B.C. If I recall the situation correctly, an individual wanted to be heard and he made quite a storm out of it, and after long discussion we permitted him to talk for a certain time, but he was not too statisfied. I will inquire into it.

The basic problem of organizing these meetings is very difficult for us. I found the best way is to go with the elected members, because I think it is essential for the Indian people to form their own organizations in a democratic way. But for many of them this is new; there are fights between them. That is normal. I am surprised when people ask what the Indian people want, because there is not just one voice for Indian people.

It is the same as when you ask what Quebec wants. If you ask me, I will tell you one thing and Mr. Laprise probably will tell you something along the same lines, but if you ask René Levesque you will have a different version of it. It is the same problem with them; the problem in Saskatchewan was one of that nature but I cannot give you the specifics.

Mr. Southam: Mr. Chairman, I want to emphasize the fact that I am heartily in agreement with this policy of going out and getting the views of representative Indians right across Canada with respect to revisions of the Act, and I asked the question seeking information. Unfortunately the meetings in Saskatchewan were scheduled early in the itinerary and the House was opening about the same time and it was difficult, in fact impossible, for some of us to get back there to attend this meeting.

I believe one member of the Committee, Mr. Thomson, was in attendance but, as I say, I stumbled on to this dissatisfaction when I was out in Saskatoon two weeks ago, so I thought I should ask the Minister. In fact, I have been presented with a brief since that time and I will forward it to his office for study, because the impression I received from discussing this matter with Mr. Adams—and this is the first time I ever interviewed this gentleman—is that he is very articulate. He seemed to be very well informed and I was inclined to agree that he had a legitimate beef, as it were, but on the other hand I wanted to get some information from your Department before I form my own conclusion on the matter.

Mr. Chrétien: We invite the Chief to come to these consultations, and at the meeting it is up to the meeting itself to decide who shall be heard. Probably he was not one of the elected chiefs; he was likely representing a group and it was up to the Indians themselves to decide. I am informed of one of the aspects; they said he is not an Indian. One of the problems we face often in dealing with the Indian people is the Métis problem, It is a very difficult one, because my jurisdiction and the jurisdiction of the federal government under the Constitution is confined to the registered Indians, but there is big population in Canada with a lot of Indian blood that, under the law, is not considered to be Indian.

Right now, that is the law. He was, perhaps, a Métis who wanted to speak but the Indians denied him the right to do so because he is not an Indian. It is one of the problems and we will have to look into it when we make revisions to the Indian Act. It is there and there is the Constitution, and we are not free to do what we want in these matters. Sometimes we find the Métis population...

Mr. Southam: I should like the Chairman and you to know, Mr. Minister, that as a member from Saskatchewan I am very interested in coming to a happy conclusion so far as developing further policies that will assist in reconciling the problems of our native people is concerned. It is interesting to note—and again I am speaking of Saskatchewan—that we have the biggest ratio of Indians to white population of any place in Canada. I think it is about 3½ to 1, so we are very interested in this and we will likely have further discussions on it. Thank you, Mr. Chairman.

Mr. Thomson (Battleford-Kindersley): Some of my questioning was to be on this subject of the meetings that have been held with the Indian people concerning amendments to the Indian Act. While the Minister is here and while we are dealing with this, we repeatedly hear that this is the first stage of meetings in regard to consultations which would indicate, naturally, to me that a definite plan has been laid out. I wonder whether the Minister could say just what he means by this first stage. He has said further meetings will be held. Will they be held with all people that have already been heard and, of course, will we be made fully aware of this before any action is taken to amend the Indian Act?

Mr. Chrétien: I cannot tell you the definite policy that we will follow, but I have been to, I think, six of these meetings personally; it is a first round of consultations. Some of the Indian people have been very well prepared and I must tell you that at many of these meetings, had there been 25 mayors of municipalities of any province, we would not have had a better level of discussion. I was very impressed.

• 1230

However, in some instances some of the Indians were not at ease, because when they come from very far away into a big hall with microphones, stenographers and so on, it is a bit difficult for them to adjust. So the first round of consultations in many instances was just to permit them to adjust to this new process. We did not have time to look into all aspects of it, and one of the points often raised was that it was very good for us to ask them generalities—we ask them 36 questions—but they would like to hear the specifics we have in mind. I think that is fair. If we really want to get their views and associate them with the new Indian Act, we should give them a chance to look into the proposals.

What I intend to do at the end of these consultations—there are two more series in addition to the Chilliwack meeting that is going on now, there is one in Manitoba and one in Alberta—after this first round of consultations we will have a meeting in Ottawa in January of all the representatives of these meetings. From there on I will, as the Minister, draft the new Indian Act. I will submit it to the Cabinet, and after that we will proceed with the resolution stage and the bill will be introduced in the House of Commons. I will send this bill to all Indian chiefs, and I would like to have a second round of consultations with them and be flexible enough, through this second round if it is needed, to adjust the legislation to their will. It is true they will not agree, but at least they will have seen the proposals and we will hear what kind of criticism they have. If they seem to have legitimate criticisms, we will change the bill.

They might attend at the clause-by-clause stage in the Committee to discuss it with you. I would like, as far as is possible, to have them associated very closely with the presentation that will be made in the House of Commons. I do not know if it will be possible at that time. It is going to take time, but I

would rather spend six months more on consultations to make sure that we have the sentiment that we really want, to have their views and not to try to impose anything on them.

My goal was to have a new Indian Act. When I arrived as the Minister I said that next year I will have the new Act. You know I like action very much, but at the same time I found that although the first round of consultation was very useful, we certainly needed to have a second round where we can study the proposals we have in mind. I will make a definite announcement of the form of the second round of consultation later after we have drafted the legislation.

Mr. Simpson: Is the Minister in a position at this time to say whether these amendments to the legislation would come before the Standing Committee?

Mr. Chrétien: Yes, definitely.

Mr. Simpson: They would be referred to the Standing Committee?

Mr. Chrétien: Yes. They will be referred to the Committee. I think that if there is a group of people who are interested and have knowledge about it in Ottawa, it is you. You should have your say, and I will hear your views. If you have sound and good amendments I will welcome them.

Mr. Simpson: You made the statement that the representatives of the Indian people, the chiefs, are the ones who are being invited to these meetings. When you go into your meeting in the Province of Manitoba, for example, is it your intention to invite all the chiefs of Manitoba?

Mr. Chrétien: Yes. All the chiefs are supposed to be invited and are supposed to be there. I do not see why I would change that policy. All the Bands have been represented everywhere else, and I do not know why any chiefs would not be invited to the consultations.

Mr. Nielsen: Not the second round, though.

Mr. Chrétien: In some Bands, they choose someone else because they find the chief is not good enough or they want to have a more articulate person.

Mr. Simpson: This is quite interesting. Who chooses someone else?

Mr. Chrétien: It is the Band members themselves.

• 1235

Mr. Simpson: Do they have a referendum on who will represent them at these meetings?

Mr. Chrétien: A referendum, yes. Or a sort of vote. I do not know how they proceed. It is up to them. I leave them free to make their choice. If a Band decides to send someone other than the chief, I can see some problems within the community, but it is up to them. I cannot make a choice for them.

Mr. Simpson: I will leave that, then. What provisions are made for expenses and transportation of these people to the meetings?

Mr. Chrétien: We pay all the expenses. We pay travelling expenses, we pay expenses when they come to the consultations, and we pay for the return trip to their homes. Everything is paid for. We also give them compensation for every day they attend. We give them $20 a day.

Mr. Nielsen: Mr. Chairman, I think a misunderstanding might have been left with the Committee as a result of the question by my colleague and the answer of the Minister in connection with all of the chiefs of Manitoba attending. This, of course, is the case on the initial round of discussions, and will likely be the case in the second round after the bill is introduced. But in the interim there is to be a meeting held in Ottawa, I understand, where delegates who have been selected from the initial meetings will be attending, and these delegates certainly will not encompass all of the chiefs of Manitoba.

Mr. Chrétien: Oh, no. There will be one or two delegates from Manitoba who will come to Ottawa in January. We cannot have all the chiefs across the country in Ottawa at that consultation in January.

It is only to review the situation in January, and we will have a representation from each of the consultations, but not all the members of these consultations.

Mr. Southam: A supplementary question here, Mr. Chairman. In view of this proposed meeting in January of the top representative group of our Native people, would it be possible for them to meet our Standing Committee for one sitting? Members here would not be able to get out to many of these other meetings to get their point of view.

Mr. Chrétien: Yes.

The Chairman: I think that would be an excellent idea, Mr. Southam. We will arrange for this in the steering committee.

Mr. Chrétien: Personally, I see no objection.

Mr. Southam: We will have to rent a big hall.

Mr. Chrétien: No, there will be about 30 people, not more.

The Chairman: This is the group in January.

Mr. Chrétien: In January there will be probably 30 people.

Mr. Southam: Thank you very much, Mr. Chairman. I think this will be very helpful to the Committee.

Mr. Cullen: The only concern is that if we have 30 people around, it is like having 30 witnesses of whom to ask questions. It is not as though they were volunteering. Would they be volunteering information or would we question each one? It seems to be a kind of cumbersome way.

Mr. Chrétien: I see your problem.

The Chairman: We will try to make out a procedure in the steering committee.

The next person on my list here is Mr. Borrie.

Mr. Simpson: Just before I finish, as I said I had quite a number of questions, but I wonder if it would be possible at one of our next meetings to obtain a set-up of the rates of welfare or assistance—I realize the Department has these—a copy for each member of the rates of assistance of a welfare nature which are provided to the Indian people in each of the provinces. I would like to find out whether they are standard across Canada.

Mr. Chrétien: No, they are not standard across Canada. We gear them to the level of assistance any white person receives in the province. We adjust our welfare programs to the welfare programs of the province. Mr. Battle will provide the figures you wanted.

Mr. Simpson: That is fine. I understand that this is the case. I am not blaming anyone in the Department, and possibly it could be the fault of some of the provinces, but I understand that there are some wide variances between assistance paid in welfare, for example in Montreal, Winnipeg and Toronto as compared with northern Manitoba or northern Saskatchewan or other places. I would like to get these figures.

Mr. Chrétien: I will make sure that you have this information for the next meeting.

Mr. Simpson: And could we, of course, include the rates paid, the set-up, for the Yukon and Northwest Territories?

• 1240

Mr. Chrétien: Yes.

Mr. Borrie: Mr. Chairman, I also have a number of comments to make but I will confine mine at the moment to one specific instance. However, I would like to say that I attended the meeting in Prince George, the consultation meeting, and if this was an indication of the kinds of meetings that have been held across Canada I think that they have been a tremendous success. The only problem of course was in respect of the Indians themselves; they were not prepared to present as much as they would have liked to have presented because, in their opinion, they did not have enough warning. However, this was entirely a fault of their own.

In future meetings of this type I might recommend that some consideration be given by the Department to allow the bands to consult with each other a couple of days prior to any consultation meetings with the Department itself. I suggest this because in their discussions there was a barrier and it was difficult to get unanimity amongst themselves before going before the Committee.

Mr. Chrétien: You feel they should consult with the Department before.

Mr. Borrie: No; to consult amongst themselves.

Mr. Chrétien: Yes; but they do that in most places. For example, I met Dave Courchene the other day in Manitoba. He is the president of the brotherhood there. He has been travelling with some of his staff across the provinces to acquaint them with the problems and so on. When I was in Calgary and Edmonton last Friday, I met Harold Cardinal, the president of the association in Alberta, and he was doing the same thing. We have provided them with funds to permit these people to consult between themselves prior to formal consultations.

Mr. Borrie: I think that the Indian brotherhood probably neglected the northern part of feel that they had a part in it.

My next question has to do with policy and the reorganization of the Department as it perreorganization of the Department as it pertains to their field representatives. Could the schedule of Indian agents and Indian superintendents be altered so that they would be in a position to spend a little more time in the field? I understand that a tremendous amount of information is wanted by the Department from these Indians agents and superintendents; however, a job cannot be well done if these people are going to spend their time behind a desk. It would appear that they have become slaves of the machine rather than the machine operating much more effectively for them. Can the problem be alleviated so that these agents will be able to spend a little more time with the people that they are concerned with.

Mr. Chrétien: That would be very desirable. There is always a tendency to feel that there are too many people in administration—everyone feels that way. However, to control you must have adequate administration. I realize that it can become frustrating at times but administration is required to control expenditures. To collect $10.00 sometimes requires an organization that costs much more than that. However, government control is a necessity, and we try to cope with it as much as we can.

I agree that officials of the Department should spend more time with the people. We would like to see people at the band level become more actively involved in community development. We have changed our policy. Previously we had white men living on the reserves but we want to discontinue this practice because it is so important that the Indian people take their own future into their own hands and develop their own leadership. As I said, I would like to see more Indian people play a role in community development. You know, even if we are very gentle and very polite we are always white people to them. If they themselves could develop leadership it would be much better. That is why we are pulling some of the white people out of the reserves, and in many instances the Indians are quite keen to see the white man go.

• 1245

Mr. Borrie: Yes, but I was really asking for a little more freedom for the Indian Agent to act on the problems that he is confronted with on a particular reservation or with a particular band. By their having to live by the rules and within the regulations that are so stringently laid down they are not able to help the various bands progress—and this is really what I was getting at.

Mr. Chrétien: Under the reorganization we will have more specialized help for the superintendents. I would like to organize the Department in such a way that it will offer to the Indian people some alternatives and then they will have a choice. We probably will have more specialized people. Rather than having people in the field looking after small items of administration I would like to give more authority to the bands so that they themselves could look after these things; then when they become stuck on a problem the superintendent for the district could send a specialist out to help them. If we develop the reserve in such a way that the Indians themselves make their own decisions then they will build up the leadership they require. In many instances they are quite capable of doing that. They are also very eager to do it. So that rather than having a white man there telling them what to do we will just send someone out when they request our presence.

Mr. Borrie: Thank you very much, Mr. Chrétien.

I have two further questions, Mr. Chairman, on education, but perhaps I should just give notice of this one particular question, which is on the movement of Indian children long distances from their homes, really to another district.

The Chairman: Mr. Borrie, we have discussed this briefly in the subcommittee, and we propose to organize future meetings on the basis of various sections of the Department.

Mr. Borrie: I think that I agree with you, but I am more or less giving notice that this is one of the questions that I will be asking.

The Chairman: If it is all right with you, we will try to devote perhaps one entire meeting to education, and go into it in depth.

Does that complete your questioning?

Mr. St. Pierre?

Mr. St. Pierre: Thank you, Mr. Chairman. I, too, found myself with a number of questions after the Minister's statement, but I would like to defer most of them. It was a very broad, and extremely interesting, statement. Perhaps I might today just put one broad question to the Minister in return.

It is in relation to the Department's policy of making the Indians as much as possible, or in fact completely, I understand, citizens not only of the province in which they live but of Canada as well. I understand this is going to involve the transfer of a great many responsibilities from federal to provincial authorities.

Essentially any question is: What is the constitutional position on this? What happens if a province chooses to say to Ottawa, "No, we will accept no responsibility of any sort for Indians," or, "Any responsibility we do accept we will only carry out with full payment by Ottawa."?

Is the constitution entirely clear on this? Are Indians definitely and exclusively a federal responsibility, in which case any transferal to the province must be a matter of federal agreement with that province, or is there some legal opinion that Indians are not, under today's constitution, exclusively a federal responsibility?

Mr. Chrétien: You have raised a very large and complex question on a far-reaching problem Mr. St. Pierre.

As I understand it, under the constitution the Federal Government is obliged to protect the rights of Indians. I do not have the actual wording at the moment.

• 1250

There are two interpretations of that. There are provinces which say that they have nothing at all to do with the Indian people; that it is for the Federal Government to look after that. I do not agree with that. I think that the Federal Government has to make sure that the Indian people are as fully citizens of the country as are any other citizens.

What has happened in the past is that each time the provinces failed to extend any programs to the Indian people the federal government has stepped in in order to give to the Indians the services that they were not getting from the provinces. The fact, is that there is not a program that the provinces or the federal government have for their white population that the federal government has not developed for the Indian population. In education and housing, and so on, we have our fields. We cover most of the fields.

To accomplish what we want there will have to be pressure on the provinces; and the Indians themselves can apply pressure on the provinces, too. They pay taxes at the level of the provincial government. It is true they do not pay income tax when they earn their money on the reserves, but nowadays they work off the reserves and they pay income tax to both the federal and provincial governments. If they buy gasoline on cars there is a sales tax which they pay, too. They should have a return out of it that they do not have in many instances.

If we want to ensure that Indians have the same opportunity as all other Canadians, we have to make sure that they have access to the same services, and the same quality of the services at the same places. We cannot discriminate against any group of our society lest we create the problems that face other countries. They have to go in the same hospitals and the same schools, whenever that is possible; and they have to have the same welfare programs.

The provincial governments have responsibilities towards them just as we have. Our job in the federal government is to make sure that the rights of the Indian are protected, and one of these rights is that of being an equal citizen within the land, if he so chooses. If he elects to live on the reserve, in the old way, that is up to him, because it is part of the freedom of a man to choose how he lives. But so far as services and governments are concerned, Indians should be equal to white men everywhere in the country.

If the provinces do not agree the problem may be difficult to cope with, but some leaders of the Indian community have started to talk about it. I recall very well a statement made by Dave Courchene about two or three months ago. He said, "We want the provincial governments to look after us, too". In many provinces in the West they have strong political power if they choose to use it. They vote, and in some ridings they can make the difference, provincially or federally.

Mr. Nielsen: You are not talking about anybody in particular, are you?

Mr. Chrétien: Thank you, Mr. Chairman.

The Chairman: Mr. O'Connell?

Mr. O'Connell: Mr. Chairman, as are other Members of the Committee I am going to defer my questions. They cover quite a broad range in the area of policy.

I was very happy to hear the Minister say he will reappear before the Committee, but one of the questions that I would like to have more discussion on is the one Mr. St. Pierre raised. I think it would be very useful to the Committee if the Minister could make a fairly extended statement on the constitutional position.

For example, I personally would like to know whether it is considered that the Indian Act exhausts the federal responsibility as laid down in the British North America Act. I think I did hear the Minister say earlier that the Government likes to treat non-treaty Indians similarly to treaty Indians, yet in the Indian Act we seem to be confining our focus to the registered Indians.

Mr. Chrétien: Yes; but, Mr. O'Connell, some Indians are registered and are under treaty and others are registered and are non-treaty Indians.

• 1255

Mr. O'Connell: That is correct; I understand that. But I would like to have a discussion on the relationship between the Indian Act and the British North America Act, section 91 subsection 24, and a statement on how the Department interprets that legal chapter that was written and published in the Hawthorn-Tremblay Report No. 1. There is a very interesting constitutional argument in there, and perhaps Mr. St. Pierre was alluding to that, too.

It relates to the role—the constitutional and moral responsibilities—of the provinces based on a constitutional position which has not generally been understood, or put to the provinces in the past. I would be very interested in hearing a statement on that. I would also like to have an opinion from the law officers of the Crown, who, I understand, are called in on situations like this, so that we have a legal opinion from outside of the Department on what is the constitutional position as it relates to the two levels of government.

On that same subject, it would seem to me to be useful, in view of the continuing constitutional conferences, to discuss the feasibility of putting this question on the agenda of one of them so that the provinces are confronted with it at a proper level.

In addition perhaps we should consider what kind of dialogue it would be feasible to develop between Indian organizations and Indian Band representatives and the federal and provincial authorities on the constitutional position. It seems to me you require a basic dialogue before positions become hardened.

I would also very much like to hear, if it is possible at this time, a policy statement on the relations between the Government and the Indian organizations. This is a developing area. Perhaps the Minister's policy is not yet sufficiently developed, but Indian organizations are obviously going to play a very substantial and very critical role in the success of programs which are going to need financial, technical and other forms of support.

Further, perhaps we could discuss alternative mechanics for assisting Indian organizations to perform a role which, in my opinion, is going to be rather critical in the period immediately ahead of us.

Mr. Chrétien: On the constitutional aspect of it I will, as you request, try to prepare a submission and to analyze it. It is quite complex but if I can prepare a paper on that soon I will come back and discuss the position.

I agree with you, Mr. O'Connell, that the Indian associations are a very important development in the emergence of the Indian people in Canada. The more they are organized the better it will be.

I know that these organizations will create more vocal people, and that is sound. It is a sign of emergence. When people have no leadership you do not hear from them. When they begin to have good leadership you do hear from them and that helps us to make our decisions.

I will have a meeting on that. I have called a meeting of all the provincial Indian associations in Ottawa. It is going to be held on December 6 and subsequent days. I will discuss with them what kind of association they want to develop whether they want us to help them and in what way.

One of their concerns—and it is also one of mine—is that we assure these groups of their independence. Some are very reluctant to accept any money from us. I have heard some of these leaders say, "I do not want to receive any help from the Government. I want to

keep my independence." Others say they should receive finance from us. I would like to have a discussion with them to find a formula by which the Government could help them to have some type of organization and at the same time not tax them, to make sure that they have all the freedom they need to operate. I will discuss all these aspects with them when we meet in December. The reason for that meeting is for that very purpose of Indian organization, and I welcome that move from them which is very necessary.

• 1300

The Chairman: Mr. Nielsen.

Mr. Nielsen: There is not anyone here today from Northern Health Services, is there?

The Chairman: No.

Mr. Nielsen: Might I suggest that when we discuss the Indian Affairs Branch estimates again, that someone from Northern Health Services be here to provide...

Mr. Chrétien: Mr. Nielsen, it is not under my Department.

Mr. Nielsen: But the Northern Health Services look after the Indian people in my riding and in the Northwest Territories and it falls logically under . . .

Mr. Chrétien: Yes, but it is the Department of National Health and Welfare who look after it, and not us.

Mr. Nielsen: But the Branch pays for it, does it not?

Mr. Chrétien: Not my Branch. We have nothing to do with it.

Mr. Nielsen: Except paying for it.

Mr. Chrétien: No, sir, not even paying for it. Mr. Munro's Department looks after it. It is the Indian Health and Northern Health Services.

Mr. Nielsen: I just thought it might be logical to . . .

Mr. Chrétien: Logical to be with us? I do not know. I have enough.

Mr. Nielsen: I thought it might be logical—since they are responsible for the welfare of the Indians, the health of the Indian people—to have them here.

Mr. Simpson: Would it not be possible, Mr. Chairman?

The Chairman: Well, let us discuss it in the steering committee to see whether we can work it in or not—whether it is possible legally to do it, because we are not seized of those particular estimates.

Mr. Simpson: Before we rise, I wonder if it would be possible at one of our next meetings to get a rundown on the number of Indian people employed in the Department at the regional office level and at the agency level, and possibly the number of Indian people employed in our national parks? That is, the number of Indian and Eskimo people employed in the Department and at our national parks.

The Chairman: Do you have that, Mr. Battle?

Mr. Simpson: I would also like to give notice—I think we will probably have a discussion or we would like to have a discussion on Indian hunting rights.

The Chairman: The meeting is adjourned to the call of the Chair.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

THURSDAY, NOVEMBER 28, 1968

Revised Main Estimates 1968-69

WITNESSES:

The Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development. *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29271—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	[3]Gundlock,	Simpson,
Borrie,	Howard (*Skeena*),	Smerchanski,
Cullen,	Laprise,	Southam,
Dinsdale,	Marchand (*Kamloops-*	Thomson (*Battleford-*
Duquet,	*Cariboo*),	*Kindersley*),
[1]Forget,	Nielsen,	Yewchuk—(20)
[2]Goode,	O'Connell,	

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1]Replaced Mr. Durante, November 27, 1968.
[2]Replaced Mr. Buchanan, November 27, 1968.
[3]Replaced Mr. McKinley, November 20, 1968.

ORDERS OF REFERENCE

HOUSE OF COMMONS
WEDNESDAY, November 20, 1968.

Ordered,—That the names of Messrs. Gundlock and Skoberg be substituted for those of Messrs. McKinley and Howard (*Skeena*) on the Standing Committee on Indian Affairs and Northern Development.

FRIDAY, November 22, 1968.

Ordered,—That the name of Mr. Howard (*Skeena*) be substituted for that of Mr. Skoberg on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, November 27, 1968.

Ordered,—That the names of Messrs. Goode and Forget be substituted for those of Messrs. Buchanan and Durante on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29271—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 28, 1968.
(6)

The Standing Committe on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Dinsdale, Duquet, Goode, Gundlock, Howard (*Skeena*), Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(17).

Also present: Mr. Whelan, M.P.

In attendance: The Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development; *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conversation); R. F. Battle, Assistant Deputy Minister (Social Affairs).

The Chairman read the Second Report of the Subcommittee on Agenda and Procedure which is as follows:

> Since the estimates before the Committee must be back in the House before Christmas and since December 12, 1968 is the last day that there are any Committee rooms available because of a Dominion Provincial Conference it is the recommendation of your Subcommittee that the Committee
>
> 1. Finish examining the Minister, the Hon. Jean Chrétien, on Thursday, November 28, 1968.
> 2. Call a meeting of the Committee on Friday, November 29, 1968, at 9:30 a.m. to discuss "Jobs-education, retraining and employment of Indians and Eskimoes" and to have officials from the Department of Indian Affairs and Northern Development along with appropriate officials from the Department of Manpower and Immigration.
> 3. Continue discussion of "Jobs-education, retraining and employment of Indians and Eskimoes" on Tuesday, December 3, 1968.
> 4. Because additional oil leases in the Northwest Territories are to be auctioned in January of 1969, to call officials from the Resource and Economic Development section of the Northern Affairs Division, from Pan Arctic Development Corporation and outside witnesses if deemed necessary on Thursday, December 5, 1968 and on Friday, December 6, 1968.
> 5. Leave Tuesday, December 10, 1968 open for further examination of oil leasing policy if deemed necessary and during that last week to

finish the business before the Committee and prepare a report to the House with any recommendations that the Committee decides to make.

In respect to section one of the Subcommittee report, the Chairman added that he would like to also call witnesses from the Department of Regional Development who are responsible for designating areas.

Mr. Badanai moved that the Second Report be concurred in with the addition that the Chairman had made. After discussion it was

Agreed:—That the Second Report of the Subcommittee on Agenda and Procedure along with the addition of the Chairman be concurred in.

The Chairman announced that following the meeting of the Committee there would be a meeting of the Subcommittee on Agenda and Procedure and then introduced the witnesses.

The Minister of Indian Affairs and his officials were questioned.

During questioning on motion of Mr. Dinsdale, it was

Agreed:—That the Return to motion number 20 adopted by the House of Commons on October 16, 1968 containing copies of directives issued by the Department of Health and Welfare on health services to Eskimoes and Indians be circulated to the members of the Committee.

On motion of Mr. St. Pierre, it was

Agreed:—That the paper Indians and the Law tabled by Mr. Battle be made an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix "H"*).

At 1:15 p.m. the questioning of the witnesses continuing, the Committee adjourned to Friday, November 29, 1968.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 28, 1968

• 1110

The Chairman: Gentlemen, I see a quorum. Will the meeting please come to order.

May I read to you the report of the subcommittee.

(For text of the Report see Minutes of Proceedings.)

Mr. Southam: I am very pleased, and I am sure members of the Committee are, to see the Minister with us this morning. Can he give us his assurance that he will be with us for the balance of these meetings on the estimates. I think it would help to expedite our work if he could be present for each and every one of them.

The Chairman: Mr. Southam, it was the feeling of the subcommittee that if we are going to be at all useful as a committee we would have to get into a few items in detail. That is the reason for taking two meetings to go into jobs, education, retraining and employment of Indians.

With all due respect to the minister, because a good deal of what we will be considering will be fairly detailed, answers will be supplied by his officials. However, if the Minister wished to come, and if the committee feels he should come, I am at your disposition. It was the feeling of the subcommittee that if we were going to be dealing with these things in detail we would be asking for expertise from the Department, and this would not necessitate the presence of the Minister. Perhaps we could leave it this way, Mr. Southam: that if at any time during the proceedings, either on the job question or on the oil leasing policy, we feel we need the minister, we could advise him, and I am sure he would come.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I will be around. I do not expect to be away.

Mr. Southam: My point in bringing it up, Mr. Chairman, is because the House, as you know, is dealing with proposed amendments to the rules, one of which is to refer a lot of this work to estimate committees. I think if we are to expedite the work of this committee and to do so efficiently, we should have the minister on every occasion that it is humanly possible. We appreciate the expertise of the officials of the department—they are all very capable of giving us information—but when it comes to a matter of discussing policy only the minister can comment. I think his presence is important to this whole new approach to committee activities.

• 1115

The Chairman: Does the suggestion I have made meet with your approval, Mr. Southam: that if we find during detailed consideration of this particular aspect of the department that we need the minister, we will call him?

Mr. Southam: I have made my point. Perhaps other members of the Committee would like to comment on it.

Mr. Simpson: You mentioned two specific areas, Mr. Chairman, as I understood it. It is quite possible that when discussing other areas we would want to have the Minister present.

Mr. Chretien: I will be around anyway. It may be that there will be a cabinet meeting at the same time. However, I will be around and whenever you feel that I should be here I will be glad to come.

The Chairman: Does that satisfy the members?

Mr. Howard (Skeena): Regretfully, I was not able to be at the steering committee meeting that dealt with this matter. Had I been, I would have raised there what I want to raise now.

This committee is probably the most important committee we have in Parliament in the total sense of dealing with the rights of people. Indian affairs relates to the fundamental rights of people from even before they are born until after they are dead and buried. It

has always been my thought that the Committee should be given an opportunity to visit these people in their homes and in their communities so that we can make an accurate appraisal of the situation from their point of view—not just a one-sided venture, with all due respect, on the part of officials of the Department. We have tried to bring this about in previous committees but we have floundered and have been unable to do it for a number of reasons. I realize there is something in the wind about this but I just want to voice the thought that this opportunity to visit should be of paramount concern to us. Perhaps it might be said that there is a peculiar reason that we cannot do it this time, but this was the situation last year, the year before and the year before that. There was always a peculiar situation which prevented the committee from doing it. I think it is stretching the point too much to continue to delay the visitations.

The Chairman: Mr. Howard, I could not agree more. I was about to announce that we were going to hold a steering committee meeting immediately after this meeting for that very purpose.

Mr. St. Pierre has written to me in the last couple of days suggesting that the committee should visit the Northwest Territories, more specifically Yellowknife, some time during January when the Northwest Territories Council is meeting, and that we should perhaps visit an Indian reserve or two close by. We intend to discuss this and other suggestions in the steering committee meeting, if you can be there, right after this meeting.

Mr. Howard (Skeena): We have all sorts of itineraries similar to that; it is just a matter of resurrecting them.

The Chairman: Is it agreed that the report of the Subcommittee on Agenda and Procedure be concurred in?

Some hon. Members: Agreed.

Mr. Dinsdale: Are we keeping item I open?

The Chairman: Yes. The witnesses today are the Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development; Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation) and Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs).

Mr. Chrétien, you have the floor. Mr. Borrie has indicated that he has a question.

Mr. Chrétien: I do not have any statement to make, Mr. Chairman. I made my statement last time and if anyone wishes to ask questions I will be glad to answer them.

Mr. Borrie: Mr. Chrétien, I am afraid that this does not relate to anything you said at the previous meeting but it is a reasonably well-known fact that the Premier of British Columbia does not offer to accept or to take over anything unless there is a fair return—by a fair return, I mean a substantial return. I am wondering whether the Premier of British Columbia has made a formal application for the acquisition of the Yukon and parts of the Northwest Territories and, if so, what the opinion of the Department is on this. Is it your opinion that he is flying a kite at the present time, or has he actually made a formal application?

• 1120

Mr. Chrétien: I have not received any letter from the Premier. I read about that in the press. I take it as a compliment to the work we are doing in the north—because we are now finding some returns after the long-term investments we made there—that there are some people interested in taking it over. If he writes to us and raises the question, we will look into that, but I do not think we should play football with the Yukon—even with the Grey Cup game being played next Saturday.

An hon. Member: Hear, hear.

Mr. Chrétien: It is a serious matter. We have worked in the north many years. The Department has made a good deal of effort to try to develop the natural resources of the Yukon and the Northwest Territories. What Mr. Bennett is looking for is probably the best part of both: he would like to have the Yukon and the Mackenzie district but he does not seem to be too much concerned about the people who live there. I am concerned because the Eskimo people live in the Northwest Territories and I think we should take them into account. What annoys me most is that he wants to let them alone. I do think the development of the resources in the north should be for the benefit of the native people who live in the north and for the old Canada too. If he writes to me I will write him back. I have written to him previously and he has not replied.

An hon. Member: That is customary, Mr. Minister.

Mr. St. Pierre: I wonder whether the Minister might consider offering to Mr. Bennett and to Mr. Manning that you take over sections of northern British Columbia and northern Alberta and form a northern province. The northern portions of those provinces have not been well developed by the present governments.

Mr. Chrétien: Many people in the northern parts of provinces are not too well satisfied with their governments. I will not comment on the internal administration of British Columbia. It is serious matter and I have said what I have to say. If you wish to make any suggestions to Mr. Bennett about the administration his province, you can do that, but I do not think it is my responsibility to do it—unless it is relevant to the Indian people who live in British Columbia.

Mr. Dinsdale: On a supplementary, Mr. Chairman. This is not the first time that Mr. Bennett has raised this question. I am wondering whether there was ever any occasion when he has raised this question in public where there has been an official contact with the Department?

Mr. Chrétien: He has not written to me in that connection since I was appointed minister and I am advised that he never wrote a letter to the federal government on that—he talked to the press.

Mr. Thomson (Battleford-Kindersley): I would like to comment about Mr. Bennett. It seems to me he is sabre-rattling. That is the impression I get. This is really not what I wanted to talk about, Mr. Chairman.

I attended a portion of the consultation meeting in Regina and one thing disturbed me quite a bit. It seemed to me that those who attended the meeting, including the representatives of the bands who were there, were concerned primarily with the Indians of my age and older who live on the reserve. They were concerned with treaty rights and what they were going to do about people this age.

The question I wish to raise, sir, relates to the younger Indian. I am quite concerned about them. I did not see too many at this meeting nor did I hear too much comment about them in this respect. I am thinking in terms of those who are now finishing high school and those who are attending university and who have no desire to go back to the reserve as such but wish to have a job, a home, a car and live like everyone else in Canada. I am quite concerned about our thinking in this respect that we think of these people in terms of their going back and living as their forefathers have lived on the reserve. I would take strong exception to this type of attitude.

I attended only one meeting and I am not sure what went on at the others, but if that was the extent of the concern shown I want to draw it to the attention of the Minister.

Mr. Chrétien: I saw the same thing too in some places. I heard complaints that the younger generation was not too well represented at these meetings. However, we asked the bands to delegate people to attend but they elected to send the older people. This was not the case in my riding; they elected a young man. However, in other ridings they elected older people. This is what happened in the Indian communities.

• 1125

As far as the problem of the younger generation of Indians is concerned, I do think that we have to provide them with a choice. I agree that many of them want to have a good job, a home, a car and live the same as other Canadians, and I am in complete agreement with you. I think we should make it possible for the Indians to share both in the advantages and responsibilities of being Canadian. I would like to see all Indians have the same opportunity as every one of us. They should be equal citizens within the land. They should be allowed to keep their culture and tradition, if they decide to do so. What we have to give the younger generation is a good education in order to give them the mobility that they need to make a choice. If they choose to live on a reserve, we have programs and we will try to help them, but if they choose to leave the reserve and make their way within the Canadian community, we will welcome them.

We have a program now to help Indians who leave the reserve, move into cities and try to find houses. We would like to follow the Indian off the reserve if they make that choice.

Mr. Thomson (Battleford-Kindersley): Could I make one further comment, Mr. Chairman. I have observed reserves in my riding and it seems to me that the Indian who is willing to live on social aid is really well looked after. However, the ones with whom I

am concerned, who wish to farm a little bit, do not get any financial aid. They cannot borrow money as I, as a farmer, can. There are frequently good bands on these reserves and some of these people actually need a little help—even it it is only to put a little gas in a tractor to enable them to grow a garden. I know of some who are attempting not only to farm but to start a little business on the reserve. These people have trouble. I am not sure why, but they do tell me that they have trouble getting any assistance to move up, if you will, a step at a time. Perhaps many of them are only able to move up a step at a time, but I would like to see some interim assistance type of program to help these people who wish to farm on the reserve and have shown some initiative. They may have an old second-hand tractor and other equipment but they lack cash to actually run this equipment. I would like to see further assistance given in this regard.

Mr. Chrétien: Mr. Thomson, we do have programs to help them in these circumstances but I personally find that they are perhaps a bit limited and we have to improve them. Recently the government has agreed to put the Indian farmers on the same level as any other farmers in Canada.

You were in the House of Commons when we discussed the Farm Credit Act and the other one—I think that we intend to proceed with the Farm Machinery Syndicates Credit Act. In order to permit the Indian farmers to have access to the same money market as any other farmers, we must put them on the same level. There is a great possibility, I understand, for some Indians to go into the farming business. They have lands and they can develop those lands if we help them. In order not to put them in any position of disadvantage, we have changed some of the laws that we had to help farmers. These laws will now be used to help the Indian farmers as well.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I had not intended to say any more, but I would like to make another comment in relation to this. I commend the government for the steps it has taken in this regard. However, I do not think that many of the Indians I am referring to are in a position to take advantage of this. They do not know enough about farm management to take advantage of some of the things you are suggesting. Some may and that is fine, but I am talking about an interim measure—you have to walk before you run and so on. I am suggesting that there is perhaps room for more help on this level. I have seen this with my own eyes and I want to stress this point.

Mr. Chrétien: Thank you for your suggestion. We have some programs and I am aware of the problems of those who have not achieved—as you say, you have to walk before you can run. These people are sometimes in a bad position because when they go to the bank they perhaps do not offer the best credit. We have to develop some programs. We have some programs and we have to ameliorate them to help those people who want to make a future for themselves. I think that is a very good idea.

The Chairman: Mr. Yewchuk has a supplementary, I believe.

Mr. Yewchuk: Yes. I just wanted to ask a question pertaining to the Farm Credit loans which you brought up, Mr. Minister, stating that the Indians will have the same access to the money markets as other people. From my understanding of the Farm Credit Act, any one reservation will be able to borrow up to a maximum of $100,000, which is equivalent to what any three white farmers can borrow. Some reservations may have as many as 100 or 200 farmers, but they are entitled only to a maximum of that which can be borrowed by two or three white farmers.

Mr. Chrétien: I do not think you understand this. The problem is that as a band they cannot borrow more than that, but the individual members of the band can borrow and they can form groups to borrow. The band as a legal entity will be able to borrow only that amount. Within the band you might have 100 farmers who can borrow money as individuals, but the band as a legal entity will be limited to that amount. There will be 100 possibilities if there are 100 individuals.

Mr. Yewchuk: Then I misunderstood that Act. Are you able to be any more specific as to what Indians will be able to use as security to get loans? Will these be backed by the government?

Mr. Chrétien: As they cannot mortgage their land, the loan will be guaranteed by the Minister of Indian Affairs and Northern Development. As the Indian Act now stands, they have not the right to mortgage their land and I have to guarantee the loans to the Corporation. We will probably use the same criteria that we use for other farmers.

Mr. Gundlock: Is this a fact? For instance, can 20 farmers within a band, within a reservation, take advantage of this loan? Or is there a limit?

Mr. Chretien: There is no limit. Twenty farmers can borrow for themselves but the band as such...

Mr. Gundlock: On a reservation?

Mr. Chretien: Yes.

Mr. Yewchuk: Then any three indians will be able to borrow the same amount as any three white men?

Mr. Chretien: Yes. The same thing will apply to the Indian as applies to the white man.

Mr. Yewchuk: Can you give me any idea when this will become law?

Mr. Chretien: I do not know. The bill has not been enacted yet. It is being studied in the Senate.

Mr. Yewchuk: I just want an estimate, sir. Can you give me an estimate?

Mr. Chretien: Probably by Christmas. It is up to the Senate now and we will have to wait for Royal Assent.

Mr. Marchand (Kamloops-Cariboo): I would like to say that the Farm Credit Act, the Farm Improvement Loans Act and the Prairie Grain Advance Payments Act have received Royal Assent.

Mr. Chretien: The bill was handled in the House of Commons by the Minister of Agriculture and we work in collaboration with the Department of Agriculture on that. If the bill has received Royal Assent, it is in effect now.

The Chairman: Mr. MacDonald.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): To supplement what the Minister has said, we are working on the guarantee procedures now which will be somewhat similar to those employed with respect to housing loans and so forth.

The Chairman: Have you a supplementary, Mr. Simpson?

Mr. Simpson: In relation to this legislation, what is the procedure going to be? Do Indian people who wish to make loans in relation to agriculture apply to the Indian Affairs Branch or do they apply directly to the Farm Credit Corporation?

Mr. Chretien: To the Farm Credit Corporation. And if the Farm Credit Corporation find that they have a good case, they will make the loan to them and we will have to give the guarantee for repayment.

Mr. Yewchuk: What will be a good case?

• 1130

Mr. Chrétien: The same case as any other farmer.

Mr. Yewchuk: Well, the Indians cannot have that sort of case because most of them do not have anything. Until now they have had to deal on a community basis. What I am saying is that each individual cannot say, "I have so much plowed field, so much machinery and so much of that; can I get a loan?" Most of the Indians in my riding are very poor. They do not have any of these things and anything the group does own is on a communal basis. This is why I wanted more details on this.

Mr. Chrétien: You are asking a quite technical question. This is new; I do not know exactly what will be the procedure to judge a good case. We are working on the mechanism. I hope that they will be considered on the same level as any white farmer, that they will be in a position to ask for a loan and that they will be judged on the value of the land, the possibility of return and so on. But I understand there will be some problems. That is why we have to develop a mechanism that will permit individuals to borrow as individuals. Perhaps it will be a new procedure for them but my department will do everything possible to make the adjustment as easy as possible. It is a technical problem. I cannot give you an answer today.

The Chairman: Mr. Dinsdale has a supplementary question.

Mr. Dinsdale: This is the problem with this legislation. I know the Farm Credit Corporation has very rigid standards even for loaning on regular farm operations. I was wondering whether the Inidan applicants are going to be under the same terms, which are almost exclusive in terms of the present Indian assets, or if there would be an advisory council to assist the Indian in adjusting to the requirements in order to get him off the ground in the initial stages? Otherwise, there will be no Indian individuals or even groups of three

eligible for the loans. In other words, it will be administrative exclusion.

The Chairman: Mr. Chrétien, can you answer that?

Mr. Chrétien: It is a new policy. This policy has been designed to permit the Indian farmers to develop in the same way as any other farmers. I know that perhaps in the adjustment to that we in Indian Affairs will be obliged to help the Indians develop the mechanism that will be needed to get them the loans. Perhaps it will be our part of the job to make sure that the Indians who qualify get the loans. We will guarantee the loans, so we will be involved in helping the Indian farmers to develop. We will have a part to play in it and since we have the government's willingness to go ahead with this legislation to help the Indians, you can be sure that we will make certain that this law will, in fact, help the Indians. There is no point in having a law that does not work. We will have to develop the mechanism to permit the Indian farmers to get the loan.

Mr. MacDonald: While the amendment is designed to admit the Indians to participate in an existing scheme of assistance, they will probably be at an advantage as a result of the overriding guarantee provided by the Minister of Indian Affairs and Northern Development. This will overcome a great number of the security problems mentioned earlier. In that sense, they will probably be at an advantage, because there are no caveats to the Minister's guarantee.

Mr. Dinsdale: His credit is better than some of my farmers'.

Mr. Yewchuk: I am wondering whether you could give us some idea when you will draw up a list of qualifications. Are you working on this now?

Mr. MacDonald: The qualifications will be those which prevail with respect to the operations under the Farm Credit Act now. Admitting the Indians was not a change in the structure of that Act; it was merely to admit the Indians. With the overriding guarantee by the Minister, I suggest that there will probably be an advantage because it will be far more clear-cut. That would be the case in many areas. We are working on the guarantee procedures and we will have these available for the Committee's information just as soon as possible.

Mr. Yewchuk: The psychological attitude of people who have loaned money to Indians in the past is going to be a difficult thing to change. From my knowledge of Indians attempting to borrow money, they have almost never been considered reliable people.

Mr. MacDonald: This is not the attitude which prevails with respect to the guarantees now being given by the Minister on housing, for example. The Indian does now borrow for all reserve housing where the same problems of credit arise as a result of the lack of individual ownership of land. They have not acted as a deterrent nor do I imagine they will act as a deterrent in this case. For that reason I suggest, as I suggested earlier, that the Indian will probably be at an advantage now.

The Chairman: Mr. Simpson, do you have a supplementary question?

• 1135

Mr. Simpson: It is along the lines of Mr. Dinsdale's inquiry. I think this is one of the things that concern a great many of us here in relation to how the Indian people are judged in comparison to a non-Indian person who is, say, in agriculture and desirous of obtaining a loan. I understand that the department already has avenues available for the Indian people to obtain loans, but I am forever getting complaints from Indian people who apply for these loans and are not able to get them. I have not been able to dig into all of them, but in some of the cases it appears that they have probably been judged, in the eyes of someone, as not being capable of looking after this. Therefore they do not get the loan.

I think it would be interesting if we could find out just how many loans have been made through the Indian Affairs Branch in relation to Indians wanting to go into business in an adjacent town or wanting to go into agriculture on their own or for any specific purpose to make themselves self-sufficient.

The Chairman: Mr. MacDonald, would you care to answer that? Or Mr. Battle.

Mr. R. F. Battle (Assistant Deputy Minister (Social Affairs), Department of Indian Affairs and Northern Development): Mr. Simpson, there are a variety of schemes that are operating now. There is a revolving loan fund which I think most of the Committee members are familiar with. This has been a fairly limited fund in the past but we have been

able to get additional appropriations in the last couple of years. Loans are now being made from that fund. The applicant has to meet certain requirements. If it is very obvious that he is not going to be able to make repayments, he does not get a loan. On the other hand, it may be a case of bringing into play not only a loan from the fund but some additional moneys in the form of grants and aid. This is being done at the present time. There are a number of these combined grants and aid and revolving fund loans in operation. The Farm Credit Act will simply expand the field of credit available to Indians and I expect that the ones who will make the most use of it are the ones who already have managed, through the revolving fund loan and other forms of grant, to get themselves started. What they need is a big push to expand their operations. These are the ones who will most likely, in the first instance, use the Farm Credit Act loans.

In the meantime, we must carry on with our present revolving loan program and have it expanded again, getting additional funds and combining this with band funds and grants in order to get more farmers started. This is the general program.

Now, there will still be some who will not qualify for loans because they simply will not be able to make repayment. I think this is a fact of life that exists not only on the reserve but off the reserve as well.

Mr. Simpson: You say, Mr. Battle, that the percentage of treaty Indian people who have applied for loans and have been refused is abnormally high. You would not have the figure of the number of non-Indian people turned down for loans, but would you say that the percentage of Indian people who have inquired or applied for loans and who are not able to qualify is abnormally high?

Mr. Battle: No, I would say not.

Mr. Simpson: Not?

Mr. Battle: I would say not.

Mr. Dinsdale: I have a supplementary concerning this revolving loan fund, Mr. Chairman. This is one of the problems we have had with economic development of the Indians in my own constituency. It happens that I had an S.O.S. call as recently as yesterday. There is a handicraft course that has been taking place in the city of Brandon and they have been making available the results of this course to the public. There has been such an enthusiastic response that the demand far exceeds the supply.

Now, the project began as a handicraft course, a small amount of money was made available for this purpose but the sudden development of a retail outlet had been unanticipated. The information I received—it was a sort of emergency appeal to the member of Parliament, I suppose—is that there is no further money available to carry on this program and, as a result, it will be closing tomorrow.

I have talked to the officials in the West and if this revolving fund is available in order to encourage economic development of this kind—I think it is the first of its kind in any community—why can it not be made available for this particular project? A relatively small sum would be required to at least keep it going until after Christmas.

It has been an unexpected success, as have indicated. The officials who are in touch with the program indicated to me the demand far exceeds the ability of the Indian folk to supply these handicrafts. It would seem to be a good economic experiment, at least until after Christmas, to see whether it could become a permanent retail outlet and a worthwhile contribution to the economic stability of at least the Sioux Indians in this part of the country.

Mr. Battle: I am not familiar with the specific project you mention. The revolving fund is available for this kind of thing.

Mr. Dinsdale: Who should I approach then?

Mr. Battle: I shall be very happy to look into it. This is a matter that is urgent.

Mr. Dinsdale: Will you get in touch with Mr. Connolley?

Mr. Battle: Yes, he is the man.

Mr. Dinsdale: Or Mr. Meyer who is directly in charge of the community development. He is quite enthusiastic about its unanticipated success but they are stymied. They are going to try to take it to the community today in the hope that they might get community response to carry on, but this is one of the problems I find with many of these programs that are announced with great fanfare—the level of expectations is raised to the sky and nothing results and the second state is worse than the first.

Mr. Chretien: It is a specific case and Mr. Battle will look into it this afternoon and we will be in touch with you.

The Chairman: Mr. Howard indicated he had a question some time ago.

• 1140

Mr. Howard (Skeena): It is really not a question; it is more a series or a conglomeration of them, but I have something I would like to raise which is rather current in terms of the difficulty relating to the Garden River Reserve people over an election of the council there.

Perhaps the best thing I can do is to read a short petition that has been signed by a number of members of the Garden River Reserve. They have asked me to raise this. It is dated November 20, 1968 and sets out circumstances surrounding the election there from the point of view of people who signed the petition.

> We the undersigned are members of the Garden River Reserve. We strongly oppose the idea that we should be forced to hold another nomination; and, election for councillors of our band.
>
> The reasons for our not wanting this are these:
>
> Notices were posted on Oct. 10th, which stated that Nomination Day was to be on Oct. 17th; and, that positions were open for chief and five councillors. But then, on Oct. 24th which was the election day, we were advised by our Superintendent A. R. Aquin at 9.00 A.M. that we were to vote for six councillors. This was because our band membership was 604.
>
> This we also did in good faith. One chief and six councillors were elected on that day.
>
> Each of the six elected councillors were sent a letter of congratulations by the Superintendent of the Sault Ste. Marie Agency on October 31st, last.
>
> On November 5th, last, each of the six elected councillors was sent a second letter. This said that we were two members short of the 600 membership needed to have six councillors. We were then told that the six councillors could not hold office; and, that we would have to hold another election. Only, this time we would have to vote for five councillors, as originally stated on the Nomination Posters.
>
> We feel that our first election was legal and that the six councillors should remain as elected. We base our feelings about this on the, "Handbook for Indian Band Chief and Councillors," Page 2, Paragraph 2.

A document, as an aside, Mr. Chairman, that is produced by the Department. Paragraph 2 reads in part as follows:

> However, an exception may be made and the number of councillors may be increased or decreased with the consent of the minister if, for some good reason, the number of councillors based on population is not satisfactory. The views of the majority of the members of the band with respect to any change would have to be obtained.

That is the end of the quotation.

> In view of this, why is it not applicable in the case of the Garden River band?

The signatures on the petition, Mr. Chairman, range over three and a half pages—perhaps 60 per page—so there are a couple of hundred signatures

With respect to this, there is a newspaper item in *The Sault Daily Star* of November 23 in which a Mr. Eric Boyd is listed as head of the Indian and Eskimo board, but I understand his official title is Chief of the Indian-Eskimo Bureau of the Department and when he was told this he is quoted as saying that they will not have a legal council for the next two years and also that an Indian band is the same as any municipality and must abide by the law as set down in the Indian Act. There was a special meeting held apparently on a Friday night—I do not know on what date—to make further nominations. The newspaper article says:

> After two hours, from six to eight, the nomination meeting was declared closed. During the two-hour wait, band members and interested persons drifted in and out of the school or stood in huddled groups in the hallway or outside. But not one made any effort to nominate a candidate.

The position of the petitioners, I gather, who incidentally are here in Ottawa today, is that the election was legal and should be validated. The Minister has authority to do this under the Act. I do not want to get into a controversy about it, but I was asked to raise it which I have done. On the surface it seems a little ludicrous.

Mr. Chrétien: Yes. I think I will meet the chief this afternoon. He has asked to meet with me and I will meet with him. Personally I feel it is basically a legal problem. Apparently the Indian Act is quite rigid on the formalities that we have to follow for an election and I wonder whether I have the legal right retroactively to correct the situation.

I will discuss this with the chief this afternoon. If I can do something, I will probably try to do it but perhaps I cannot under the law. I will be in touch with the chief this afternoon and I will ask for legal advice from the legal advisers in the Department. I will do what it is possible so as not to have any controversy. If it is possible perhaps we can go along and keep these people in office but if it is not possible legally, I will be obliged to apply the law.

I do not know the case right now. I want to discuss it. I thank you for raising the matter. I will study the case and try to make a decision as quickly as possible.

• 1145

Mr. Howard (Skeena): I raise it, Mr. Chairman, in the framework of the activity that is going on at the moment surrounding local government and control of affairs by people in the democratic process that we are trying to see established.

I raise it because it seems akin to our concept of democracy and control by people of their own affairs, that the wishes should prevail rather than the strict technicalities that may exist. I know how reluctant the Minister is to have such great authority and power over the affairs of people as he has under the Indian Act.

Mr. Chrétien: Yes, I agree, but the Act is there and we have to apply the law. If it is possible to do something, I will. If I cannot, we will have a new election. It was an error by an official of the Department who gave them six members rather than five. I feel badly about it, but the law is the law.

We are consulting the Indians to find out what kind of election and what kind of operation we should have at the level of the band, because I would like to see the Indian people administer their own affairs. In an election the municipalities have to follow the law the provincial government has laid down.

Mr. Howard (Skeena): Well, I am sure you do not feel half as bad as the people of Garden River do. In any event, Mr. Chairman, there is another matter of extreme concern over housing. It is not uncommon on any reserve, in any Indian community, to find two and three families living in the same house, not very spacious homes either by any of our normally accepted standards.

A couple of years ago—in fact, it was on St. Patrick's Day 1966, I believe—your predecessor made an announcement about a five-year $112 million housing, sewage, water, roads system program. When Mr. Sharp was Minister of Finance, just about a year ago now or just prior to last Christmas, in the austerity program stretched this five-year program beyond recognition. I would like to know in some detail what exists now in terms of housing programs for native people; what money is available; the down payment requirements; the financial arrangements; the distribution by agency or province—in other words, a fairly complete detailed breakdown of the housing program because so many native people are inquiring about it.

Mr. Chrétien: We have built 5,500 houses since the program started. It is true the program has been stretched from five years to seven years. Concerning the detailed question you just asked me, no doubt Mr. Battle can...

Mr. MacDonald: We will have to able that.

Mr. Chrétien: We can prepare a statement to give you all the answers you want.

Mr. Howard (Skeena): Yes, I did not think you would have it immediately available but it is something that a number of people have asked me about. Since the stretch-out, the absorption of the five-year program into the annual budgeting process which takes place, I know of no native people who are too clear on what is available. Many of the Indian agents do not know just what the plan is. They cannot explain it in any meaningful way.

Mr. Chrétien: All right, we will prepare a statement on that.

The Chairman: Mr. Howard, perhaps I should mention that at one or more of our steering committee meetings we discussed the agenda not only up to December 12 but also into next year. It was the hope of the members of that steering committee that after Christmas it would be possible to look at the housing situation in depth after we had visited some of the reserves and seen some of the

projects in operation. Hopefully we will have this material by December 12. This will give us an opportunity to look it over, and then perhaps we can have a look at some of these projects in January or early February.

Mr. Howard (Skeena): I think we will often find that statistics and reality do not meet one with the other.

Mr. Dinsdale: Mr. Chairman, I have a supplementary question on the off reserve housing program, which I think is a very vital aspect of the new housing development. I had a communication on this subject a short time ago which set out certain statistics with which I will not burden the Committee. I am interested in this off reserve housing program. It is administered by the Veterans' Land Act. Apparently it has come under the same freeze as the V.L.A. program, with the result that we have lost several opportunities to have families suitably housed in the city of Brandon, for example. I imagine this would also apply in other parts of Canada. The funds were not available and therefore the properties could not be obtained. Is this a general problem and is there any solution for it?

• 1150

Mr. MacDonald: I am informed there was a brief period when we ran short in our $1 million fund, but this has since been refunded and there is no financial impediment to the off reserve housing program.

Mr. Dinsdale: Are you quite certain of this?

Mr. MacDonald: We shall have to...

Mr. Dinsdale: The information at the upper level unfortunately does not seem to get down to the lower level.

Mr. MacDonald: The applications are rolling in from the lower levels, so they must have the information. That is where they come from.

The Chairman: Mr. Howard, do you have some further questions?

Mr. Howard (Skeena): Yes. With reference to this off reserve housing program, it is more a question of filing information, which I am sure is well known, but there is more red tape involved in this off reserve housing program than is normally the case in dealing with the Indian Affairs Branch. In my opinion it is overrun with red tape in many respects. I do not say that unkindly; it is just part of the system that exists.

I know a number of native people who have applied for off reserve housing assistance or to come under the program. These applications go between the agency office in Prince Rupert or Taurus, or wherever it might be; the commissioner's office, which is in Vancouver; the V.L.A. office, which is in Vancouver and the local representative of V.L.A. in northern British Columbia. He has nearly half the province to look after in addition to his other work under the Veterans' Land Act in connection with farm credit, and the like. Between these four government offices or agencies there is what might be called a circuit of correspondence. I have followed some of these applications and they go back and forth from the commissioner's office to the agency office and back again, and then to V.L.A. and back again. They double check and question, and in all of this a tremendous amount of misunderstanding develops. As a consequence, people who apply for some assistance in good faith and in good hope find that months and months and months drag on. For many of them it does not seem to come to any conclusion. I am passing on this information in behalf of people who have complained to me about it. I am trying to represent in parliamentary terms the expressions they have used in their objections to this program, which have been quite severe in terms of language.

It would certainly be helpful if you could eliminate some of this confusion.

It would also be very helpful if you could eliminate the requirement—which I understand is unique to this program—of having the contractors who build the new homes bonded. This seems to be another rock on which it founders. It is not so much a bonding system as it is an insurance system, and normally these contractors do not get involved in becoming bonded to ensure that their commitments will be carried out. It is difficult to find these people. It pretty well excludes the requirement for bonding or insurance. It pretty well excludes the native people from trying to build a home, which many other people can do. If you could get your scissors and snip some of this red tape it would be very helpful.

Mr. Chrétien: I understand this is a problem with any large administration? There is often a lot of red tape. Sometimes I am inclined to believe that in order to save $20 you must spend $100 to make sure you do not make that mistake. In your administrative

operations you have to be quite careful about the money that comes from the public. I have found in some cases that perhaps too many people are involved in the decision making. In the revision of the new Indian Act I would like to simplify a good many of these things in order to speed up decisions. Under the present Act it is often the case that the decision has to be made by the Minister. I sometimes find myself signing letters approving a loan of $2,000 for someone who wants to borrow from Central Mortgage and Housing Corporation, and so on. It makes me somewhat angry, because I think I am rather busy and it takes some time to come from the reserve to my desk and then go back. I hope in the revision of the Indian Act we will be able to eliminate some of these things in order to speed it up. In many instances it is frustrating, and it is even more frustrating when documents appear on your desk three or four months after the application has been made. We will try to eliminate some of this.

• 1155

Mr. Howard (Skeena): Mr. Chairman, it is not—

Mr. Chrétien: I think Mr. MacDonald would like to make a comment on the Prince Rupert situation.

Mr. MacDonald: Yes. I think the problem raised by Mr. Howard illustrates some of the difficulties. We use the Veterans' Land Act for very worthy reasons. They are experts in the fields of mortgage lending and construction. We did not want to develop a duplicate organization when this one was available, and therefore it introduces another party. However, the Prince Rupert situation has been a particularly difficult one compared to the ones you have touched on. It is a very large area and the greatest number of complaints about the program in Canada have originated from this area. At the present time we are meeting with the Veterans' Land Act representatives to see what we can do to try to improve that situation. It probably requires more people, and we are working on it.

Mr. Howard (Skeena): Mr. Chairman, if I may just follow this up. The Minister said that he objects to the necessity of his endorsement of things about which he would naturally have no knowledge. This is really confounding the matter. You do not need any changes in the Indian Act to deal with the off reserve housing program. That is an administrative problem. I am glad to see it is on the rails anyway. It is not only a delay of three or four months, Mr. Chairman, which is involved; in some cases it is three and four years.

I know of an instance where an individual relinquished some land to the school district for an amalgamated school. It was seven years before he finally got his money for the land, even though the school board had paid for it much earlier. It was seven years in the administrative machinery. I am told that about three or four years ago the Penelakut band on Cooper Island passed a resolution—and I think using band funds—for some facility they wanted on the reserve. They still do not have it approved. I am sure that many of these things go into outer space rather than into the office of the Minister. There is no point in my reciting instance after instance of specific cases, except as illustrations.

Mr. Chrétien: Yes, but what surprises me a bit is that you said sometimes the off reserve housing program has been delayed three and four years. This program has only been in effect for two years. I am quite surprised to hear that it can take three or four years.

Mr. Howard: On something else.

Mr. Chrétien: On something else, all right. I am really not aware of these cases. You say they are in orbit; perhaps this is a fact.

Mr. Simpson: With Mr. Howard's permission, may I pose a supplementary question. In view of the fact the Chairman mentioned that we would probably be discussing housing in great detail at some future meetings, I would like to give notice that I think it would be helpful if we could perhaps have a statement from the department on the number of homes which have been built under the off reserve housing program province by province.

Mr. Chrétien: We will give you a full statement on all aspects of the situation; on reserve, off reserve, where we stand in the program, how many houses have been built since we started the program, how many houses we expect will be built to the end of the program, and so on.

Mr. Simpson: If we are going to get a statement on housing, I think it would be of interest if we had a rundown of the number of houses that have been built which are already serviced with sewer and water and in what areas these are located.

The Chairman: And electrification.

Mr. Simpson: I think electrification is coming ahead much faster than sewer and water.

The Chairman: You have noted that. Mr. Howard?

Mr. Howard (Skeena): I had a number of other items I wanted to deal with, but I do not want to transgress on other people's time.

The Chairman: Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): I have a retroactive supplementary question. I would like to ask Mr. Battle what is the maximum amount of money that is available from the revolving fund loans and what the terms are, how long are these loans for, and this type of thing.

Mr. Battle: At the present time the maximum loan is $50,000. The term varies; it depends upon the nature of the project. The pay-back period is anywhere up to ten years. Even this is not fixed. It can go beyond ten years. It is a revolving fund and it is supposed to revolve, so it is really short term credit. The pay-back period is any period up to ten years.

Mr. Marchand (Kamloops-Cariboo): But it can extend beyond that?

Mr. Battle: In particular circumstances it can extend beyond that.

• 1200

Mr. Thomson (Battleford-Kindersley): Are these revolving funds available for business loans or is it on land only?

Mr. Battle: Both business and land loans.

Mr. Thomson (Battleford-Kindersley): Is it businesses on the reserve?

Mr. Battle: Yes. There have been a number of loans made for businesses on the reserves that are flourishing now.

Mr. Thomson (Battleford-Kindersley): Thank you.

An hon. Member: And off the reserve as well?

Mr. Battle: We have tried to avoid this because other sources of credit are available off the reserves. There is a shortage of available credit on the reserves. In special cases we have made some loans off the reserves, but because of the pressing need on the reserves we limit this.

The Chairman: Mr. Marchand.

Mr. Dinsdale: I have a supplementary question on this point, if I may. The trouble with the project might be that you cannot sell to people on the reserve, you have to go in through the community. The actual business operation is taking place in a city. Perhaps this is where the red tape is.

Mr. Battle: We will be happy to look into it.

Mr. Marchand (Kamloops-Cariboo): I would like to direct this question to the Minister. Perhaps he has made a statement on this but I have not heard it. I would like to ask the Minister when he feels that he might introduce the Indian Claims Bill.

Mr. Chretien: We have the Resolution on the Order Paper now. According to the speed we work in the House of Commons, I do not expect we will proceed with the resolution stage before Christmas. I hope that it will be one of the priorities after Christmas. We will table the Indian Claims Commission Act after the resolution stage early next year.

Mr. Marchand (Kamloops-Cariboo): When the bill is introduced, do you plan to refer it to a standing committee of the House or a joint committee of the Senate and the House of Commons? Do you intend to see that the committee will travel? I was wondering at what stage you will refer it to a committee, first or second reading?

Mr. Chretien: I do not know what the rules will be after Christmas. There is a possibility there will be changes in the rules, so it is too early for me to tell you when the matter will be referred to the committee. I would like to see the Indian Claims Commission Act referred to a committee of the House of Commons.

If the committee sees fit to travel and get the views of the Indians, and so on, I will not object. I must tell you that similar legislation was introduced in 1963 but the government withdrew legislation and came back in 1965 with new legislation. This legislation was in the committee at that time when, fortunately or unfortunately, we had an election.

The bill has not been reintroduced since 1965. It was one of the priorities, so I looked into the problem immediately after I was appointed a Minister. We studied it in committee of the Cabinet and now we have a

Resolution in he House of Commons. I am waiting for that stage now. Our part of the job is almost finished.

Mr. Marchand (Kamloops-Cariboo): I think there were some 300 representations, if I remember correctly, from Indian groups all across the country. I know in the province of British Columbia Indian organizations held several meetings about Bill C-130 and Bill C-123 and one of the objections to the bill by various groups, if I recall correctly, was that they would like to see that one of the commissioners—the bill, as it was set out, agreed to appoint five commissioners—is an Indian and another learned in law.

For another position they would like to have someone from the international courts or some commissioner of international stature to sit on the commission. Do you have any particular views about this?

Mr. Chretien: You will see my views when you see the bill. You ask me to reveal now what is in the bill and I cannot tell you. I have told you that we have looked into the problem—we have received 300 briefs. We have people who have studied them and I hope that most of the representations will be implemented in the bill. Unfortunately, I cannot do more than accept your representations.

Mr. Marchand (Kamloops-Cariboo): I am not trying to probe, but have you made many changes to the basic bill which was introduced?

The Chairman: Mr. Howard?

Mr. Howard (Skeena): Mr. Chairman, I will not touch on the merits of this unknown bill except to say that I hope it is not the same as it was in 1965, because that was most unacceptable to most people. However, that is a representation.

I want to ask a question of the Minister related to his thinking about the timetable in Parliament and our speed of activity. We in the New Democratic Party would be quite prepared to waive discussion of the resolution stage of the bill so that you could introduce it and have it made public as soon as possible—tomorrow if you desire.

I do not know what the Conservative Party or the Ralliement des Creditistes will do in terms of this proposal, but we are overly desirous of at least having that bill, now that you have the Resolution on the Order Paper, made public as early as possible, particularly so the Indian people can have as long a period of time as possible to examine it, study it and comment upon it. If you ask for unanimous consent tomorrow right after the Orders of the Day, you will find no objection from us.

• 1205

Mr. Dinsdale: Mr. Chairman, if Mr. Howard is asking for a comment, I can assure him we were ready to proceed in 1963 and that is still our viewpoint.

Mr. Howard (Skeena): I hope we are not ready to proceed in the same way that you were ready to proceed with the same bill.

Mr. Dinsdale: The bill was never discussed, Mr. Chairman.

Mr. Howard (Skeena): No, but I know what is was and it was frightful.

The Chairman: This is getting into a debate, gentlemen. I have a question from Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I would like to begin by saying that I also had the delegation from Garden River visit me this morning. In fact, I apologize for being late but that was the reason.

An hon. Member: Where is Garden River?

Mr. O'Connell: Garden River is near the Soo. It is a reserve of 600 or so. I agree that they certainly have a very strong case for having the present election validated. I do hope that when the Minister meets them later on in the day he will be able to find a way to accept the result of the electorate.

I know they are prepared to make some adjustments but not the whole process of another election because it does sort of flaunt the idea of local government in favour of legalisms. If the population is just two short of being entitled to six, surely someone could search through the lists and find two more people. I do not think it is too difficult.

I think there are many people on these reserves who simply are not registered—at least I suspect that is the case. Therefore, I would just like to reinforce Mr. Howard's plea on behalf of that group. I, too, am interested in the result and do hope we can find the proper solution in accord with the apparent desires of the full council to have that election validated.

The question I would like to ask, though, goes back once again to the availability of

credit and economic development. Is that in order, Mr. Chairman, or is your agenda in another direction.

The Chairman: No.

Mr. Simpson: May I just add something supplementary to Mr. O'Connell's remarks on the situation at Garden River?

You were saying that possibly two more people could be found on this reserve. I agree that this might be quite possible because I must admit that, unknown to me, in my own constituency which is quite large during our centennial year, 1967 there were triplets born to a treaty Indian mother, Mrs. Spence of Nelson House. This came to my attention some time ago.

I know that these people would not want to leave Nelson House and go to Garden River to add the extra three people. I am wondering whether any recognition was given to these triplets that were born to Indian people in centennial year.

Mr. Chretien: I do not know.

Mr. Simpson: Can Mr. Battle say whether this was ever brought to your Department's attention? I think some recognition should be given. Possibly we could move them to Garden River for three or four weeks and get the population up to the required level and so solve the minister's problem.

Mr. Chretien: There is a great principle in democracy; we should never act retroactively. I will look into this question; there are two sides to it. I know some members feel there should not be an election. I have no prejudice. I will do whatever is possible, but if the law does not permit me to do something I will not do it.

• 1210

Mr. Marchand (Kamloops-Cariboo): Perhaps we could send the Superintendent, there, a copy of the song, "One little, two little, three little Indians"; it might help.

The Chairman: Mr. O'Connell?

Mr. O'Connell: I do not think we have been told the total size of the revolving fund. I would like to ask that question before proceeding, if I may.

Mr. Chretien: Mr. Battle will answer that question.

Mr. Battle: The current size of the revolving fund is $2.4 million. There has just recently been a request to Treasury Board for an additional $400,000. I cannot say at the moment whether or not that has been approved. That is as far as I can go.

Mr. O'Connell: Thank you. With all respect, I would like to make the comment that I think that is really a tragically low figure in view of the fact that Indian credit is so difficult to obtain for many reasons, some of which I heard when I first came into the meeting. I would like to ask, too, what experience the branch has had with the regional development programs under FRED, presumably. There is a very large operation in Manitoba known as the Interlake Development Program, there is one in northeastern New Brunswick, and so far as I am aware, the Indian communities in those regions are not really effectively participating in those schemes.

No doubt the reasons are many, but perhaps one of them is shortage of credit. Therefore, it is partly a policy question. I would like to have a statement of policy, if I may, outlining where the branch stands with respect to economic development of reserve communities.

Before leaving the question there, I notice that in the Hawthorn-Tremblay report which the government commissioned—volume I was submitted about two years ago—on the contemporary Indians of Canada, there was a very strong emphasis on mobility. What I gather the commissioners really meant is that there were few prospects for development on Indian reserves, that they were somewhat pessimistic about that prospect and, therefore, they stressed mobility training outmigration, and so on. I ask where the Department stands with respect to that concept.

Second, is the Minister able to say whether the ARDA report which we have not been able to see—I think there has been a study conducted by ARDA—coincides with the concept in the Hawthorn-Tremblay report that the emphasis is on mobility and not on the development of local resources? The answer to that question would have something to do with whether the intention is to make credit available for local improvement or not.

I do not know whether I have been clear. I would like to know whether the ARDA people stress reserve development, or community development. My impression of the Hawthorn-Tremblay report is that it does not.

Mr. Chrétien: All these matters of economic development and mobility are currently being reviewed by the Department. We are analysing all the programs we have had in the past and looking into the possibilities of new programs. There is no one answer to that. I think the principle should be flexibility because on some reserves there are some economic developments which are possible. In other reserves there are no economic developments possible. Therefore we should not put the emphasis on mobility when there is no possibility of economic development. I do not think we should be doctrinaire. We should look into each situation and find out the best way to help the Indian people upgrade their economic development.

• 1215

One of the important aspects of it will be to discuss this with the Indians themselves at the level of the band because they should be involved in their own future. If we want to give them more authority to decide for themselves, then we have to consult them. In some cases the Indians will be very reluctant to move off the reserve and we cannot force people to move into big centres if they do not want to do so. We should as another element, besides flexibility, take into account the desire of the Indian people themselves at the level of the band. As I said, in some cases we will have no other choice but to put the emphasis on mobility. In many cases there is a good possibility of economic development of the reserves. I do not want to give you at this stage any specific answer on that. We are working on the study of these new programs and I hope that some time in the future I will be in a position to make a general statement on the future policy of the department on economic development.

You mentioned also the revolving loan fund. You found the amount a bit low. It is something which we are reviewing now. We hope that at some future time we will be able to state the policy of the government on these things. Mr. Battle will add something about ARDA.

Mr. Battle: I would like to deal specifically in the first instance with ARDA. This program extends to Indian rserves. There is provision in the agreements which have been signed between the provinces and the federal government for reserves to be included. Under these agreements there already have been a number of projects started. For example, there is the large farming project on the Stony reserve which is being financed under the ARDA program, There are a number of studies of specific reserves wich have been undertaken to determine what kinds of economic development should take place there under the ARDA program. This has already led to two or three recreational developments and the Stony reserve near Calgary is an example of that.

The department, under its economic development program, has been carrying out feasibility studies, land use studies, on a number of reserves across the country. There are already forty of these studies in progress, the result of which will be development plans for Indians. So far as FRED is concerned, the Indians in the Peguis reserves, the Fisher river reserves in Manitoba, are taking part in this whole program. They have representation on the various advisory councils which function in that area, they are taking part in the training programs that are in effect in this FRED interlake area, the object being some out-mobility. There is a variety of things they are taking part in at the present time. I have a great deal of hope for the Indians of Peguis and Fisher River as a result of the FRED program.

• 1220

Our department is represented on the committee which sits in Manitoba twice a year to examine the program for the coming year, and to examine it for the past year to see what results have been achieved. I am not suggesting for one moment that we are out of the woods in that area. I think there is a great deal more which can be done under that program to help the Indians on those reserves. A start has been made and we are making progress. That is all I have to say on FRED and ARDA.

Mr. Simpson: Mr. Battle, in relation to the ARDA FRED program in the interlake area, could you tell us of any developments which are taking place in respect to the Indian people in the ARDA aspect of this program? I am thinking of the clearing of agricultural land. I am sure you are more than well aware of the fact that there appears to be a considerable amount of good agricultural land in that area if it were cleared. Could you tell us something about the ARDA program in relation to that particular set-up?

Mr. Battle: The first project which was undertaken on those two reserves involved drainage of the land. This has been financed

under the ARDA program. I am not up to date on whether there has been some clearing of land. There was to have been clearing of land. Whether or not the programs have been started yet, I cannot say.

We were asked to position ourselves in the revolving fund to enable us to meet the credit needs specifically for the Indians at Peguis and Fisher River because it was expected that land would be cleared and they would require equipment to farm. We have positioned ourselves in this way. I cannot say whether loans have been made. I would be happy to look into this and see what the situation is at the present time.

Mr. Simpson: I have recently had complaints from Indian people in that area who applied for loans for clearing and so far have not been successful in getting them.

Mr. Battle: I will be happy to look into that.

The Chairman: Mr. Southam, you indicated you have a question.

Mr. Southam: Mr. Chairman, I believe the Minister of Indian Affairs and Northern Development and also the Minister of National Health and Welfare and several other members of the house, including myself, had a letter directed to us some time ago from the secretary-manager of the Saskatchewan Medical Association with respect to remuneration for services rendered to Indian people. I brought this up in the house and the Minister of National Health and Welfare said that he had discussed it at the recent federal-provincial conference. The gist of my question is this: it seems that a certain amount of money has been appropriated for providing these services to the Indian people but at the twentieth of each month or so these funds run out. The services then for the balance of the month had to be provided more or less free for the Indian people. Now, it affected some of our younger doctors who by virtue of the fact that they are coming into practice as young people have a tendency to go further north to find a practice and it is becoming a hardship on them financially to try to carry on by not getting their full fees. It also adds to the sensitivity on the part of the Indians themselves if they thought they were being treated as possibly second class citizens. There is a very important psychological factor here.

Could the minister tell us if more funds have been made available to overcome this serious situation? It is going to become very serious in several areas where it was brought to my attention because the younger doctors were thinking of moving out of there altogether which would sacrifice the welfare not only of Indians but of whites living in that particular area. I would like to hear something from the minister on this.

• 1225

Mr. Chrétien: Unfortunately, Mr. Chairman, I cannot answer Mr. Southam's question because all these questions of health services to the Indian people are not under my jurisdiction. These questions should be directed to my colleague, Mr. Munro, Minister of National Health and Welfare. I am not related to that. I receive letters and pass them to Mr. Munro who is responsible. He made a statement in the House of Commons the other day which was directed to that problem. He said that the government does not have any program for the Indian people. It is certainly something which he is studying and I will report that the question has been asked of me. Unfortunately, I cannot reply for him.

Mr. Yewchuk: I have a supplementary question.

The Chairman: Are you finished, Mr. Southam?

Mr. Southam: No, I have another question but I would be glad to have the supplementary.

Mr. Yewchuk: I have asked Mr. Munro about this problem and he is under the impression that the Indian Affairs Branch is paying about 75 per cent of the doctors' fees; this is not so. They are actually paying about 56 per cent on the average.

Mr. Chrétien: We pay nothing. It is not our department. It is National Health and Welfare.

Mr. Yewchuk: I know, I am sorry, I will reword that. The Department of National Health and Welfare, for services to Indians. In your discussion with him would you bring to his attention that they are not paying 75 per cent—and I know that because I am a practising physician myself—we only get about 56 per cent on the average.

The Chairman: Mr. Southam. A supplementary, Mr. Dinsdale?

Mr. Dinsdale: May I ask a supplementary question? I realize this is directly under the

responsibility of the Minister of National Health and Welfare but inasmuch as it concerns Indian people—

The Chairman: Mr. Dinsdale, if it is completely under the jurisdiction of the Minister of National Health and Welfare, we are not seized of this matter as a committee.

Mr. Dinsdale: But it concerns Indian people and the minister said that his concern is for human resources and welfare and so forth. The reason I am raising this question is I had a return on October 16 which I find quite confusing. It arises from this long, extended discussion on health services for our Indians and our Eskimos. The original directive of March 6, which indicated that health services were being cut back, was rescinded in a letter of April 16. All I have by way of information is a prototype letter and, as far as I can see, the prototype letter rescinding the cutback of March 6 was never sent out; it was merely a prototype letter and I have not been able to find any chiefs or councillors who received copies.

I have a further letter of July 15 which announces this pro rata system which Mr. Southam has been referring to. So, it seems we are back to where we were on March 6. Inasmuch as our committee is not seized with this problem, perhaps members would like to read these letters for their own information to see that there is still confusion and the matter has not been clarified. It is of vital concern to human welfare. I would be very glad to make these letters available to the committee if they so wish.

The Chairman: I think it would be a good idea if you could make them available on a strictly private basis to all members of the committee.

Mr. Borrie: Mr. Chairman, on a point of order, I wonder if you would clarify for the committee—or maybe the minister would—how we approach the matter of medical services to the Indians if we are not to be considering this in this committee?

Mr. Chrétien: The only suggestion I can make is that perhaps you invite Mr. Munro to come here and you can question him. Unfortunately, I cannot reply for him. It is not my business. I have enough already.

Mr. Southam: Mr. Chairman, I would like to make the suggestion that we invite the Minister of National Health and Welfare because this has been a very contentious problem over the last few months, as the committee knows.

The Chairman: We will discuss this in the steering committee after this meeting at one o'clock. I take it that it is the consensus of opinion here that we should invite the Minister of National Health and Welfare before this committee. If that is the consensus, then we will do it.

Mr. Southam: I will make a motion to that effect, Mr. Chairman.

Motion agreed to.

Mr. Dinsdale: I have a supplementary question, Mr. Chairman.

The Chairman: This is something which has to be decided in the steering committee. We have your feelings on this.

Mr. Dinsdale: Is there not very close consultation with Indian health services by the department to ensure that the medical needs and the health needs of our Canadian Indians are adequately taken care of?

Mr. Chrétien: There is always discussion between the two departments on these problems. We have an interest...

Mr. Dinsdale: I would say a vital concern.

Mr. Chretien: Yes, but the way it stands now, the Minister of National Health and Welfare will reply. Whenever we see a situation which is brought to our attention, we transfer that to him. I have had discussions with him on some of the problems which face both of us. I have no problem in talking to him, but unfortunately, I cannot testify for him. That is all I can say.

• 1230

The Chairman: Gentlemen, I think we have agreed now that we are going to invite the Minister of National Health and Welfare.

Mr. Dinsdale: I would like to make this return available to members in anticipation of the Minister's visit.

The Chairman: Could you make it available tonight, Mr. Dinsdale? I do not know when we will invite him.

Mr. Dinsdale: My access to Xerox facilities is limited; I cannot impose on them too heavily.

The Chairman: If the Committee agrees, Mr. Dinsdale will supply a copy to the Clerk who will see to it that each member of the Committee receives a copy. Mr. Southam?

Mr. Southam: I have one more question, Mr. Chairman. This question relates to something that was discussed earlier in the Committee concerning the development of agriculture by our Indian people. Now, this may not be new but it is new to me and I would like to get the advice of the Minister. It seems that in some areas white farmers adjacent to Indian reserves have been getting permission to go on to Indian reserves and lease land to develop agriculture on these reserves with two things in mind, of course; to develop their own financial status, and so on and, at the same time, to give an example to the Indians of better farming practices.

In some cases the Indian bands consider that the municipalities adjacent to the areas where these white farmers live should be contributing something to them from the tax funds they receive from these white farmers to develop roads and the agricultural industry within the reservation. Is this something of which the Minister is aware?

Mr. Chretien: I am aware of it and it is a matter that is under discussion in many provinces. The municipalities collect taxes from the white man who leases land from the Indian reserve. In many instances the municipality keeps the money and does nothing in terms of improving roads or providing other services, which are given to the white man in the district.

It is something that can be solved at the level of the provincial government. Correct me if I am wrong, but I think in Saskatchewan there is provincial legislation to force the municipality to turn over 50 per cent of these taxes to the band in order to help it to develop its own programs within the band.

I think this is a positive step.

This is one of the matters that I find a bit annoying. The provincial government gets money out of the pockets of the Indian in many instances, and they are not very anxious to give back even a part of it. Most of the money being spent right now on Indian programs comes from the federal government, but whenever an Indian has a car and goes to the service station to fill his gas tank he pays taxes to the provincial government.

I have seen some cases of roads going into a reserve, even on Crown land, on which the provincial government does not even use a grader, because that road leads to an Indian reserve. That is a provincial problem and I think it is a kind of discrimination against the Indians in the province. The step taken by the Saskatchewan government seems to me to be a step in the right direction.

• 1235

Mr. Southam: Well, I am glad to hear the Minister's remarks, because I do think it is an area that is being developed properly, and with the support of the federal Department of Indian Affairs and Northern Development and the provincial government it will enhance the Indian economy and their general welfare. I am glad to hear the Minister's comments along this line.

Mr. Simpson: On this particular subject I would like to draw the Minister's attention to the matter of these roads leading into Indian reservations—God knows we have not nearly enough of them in our area. There are too many isolated reservations at the present time. These people are continually making requests for roads to connect them with the road system of the province.

The Minister was saying that in many instances the provinces do not look after the roads even if they are on Crown lands. I can disagree, and yet the roads are not properly looked after regardless of who is supposed to be looking after them. I know of one or two roads in northern Manitoba that have been constructed into Indian reservations and it is my understanding that the province, in conjunction with the Department of Indian Affairs, built these roads. I assume the breakdown of moneys was in accordance with the mileage on Crown land and probably the number of people that were going to be served on the Indian reservation.

I do think the Indian Affairs Branch, in conjunction with the provinces, should look very closely into a program of road construction into these reserves because these people in many, many cases are living in isolation. Without too much difficulty a good number of them could be serviced if we could build even a winter road into them which could gradually be developed into an all-weather road.

Mr. Chrétien: We have programs, Mr. Simpson where we can build roads and we often sign agreements with the provinces in

order to share the cost of these roads. Whenever the road is going through a reserve or passing through a reserve, and so on, we share the cost most of the time.

Roads within a province are generally the responsibility of the provincial government and each time we spend dollars on roads they are dollars that we do not have for other programs, and these roads, even if they go to the reserve, are used not only by the Indian people; they are used by the white man many, many times. The white man often gets the benefit of the roads when he goes to sell all sorts of things to the Indians.

I think personally we should not have any kind of discrimination, even if it is only a road within the province, and roads are within the jurisdiction of the provincial governments. They are used by all the people and there should not be two classes of citizens within the province; there should be one class of citizen. The roads are not for the white, the yellow, the brown or the black—the roads are for people, and I think that the Indians are people.

Mr. Simpson: I would also like to add that I think quite justifiably considerably more money could be spent on roads on the reservations. I am sure that any of the officials who have been on these reservations after a couple of days' rain will agree heartily that these roads are actually impassable in many cases. The problem is concerned not only with roads into the reserves, but on the reserves.

Mr. Chrétien: Yes. We have a budget and we try to get as much out of it as we can. We have made good progress over the last four or five years and we have to make more progress in the future.

• 1240

If you people want to go into the House of Commons and persuade the House of Commons to vote one billion dollars more for my Department I will be very glad and I will solve the problem right away.

Mr. Simpson: Well, one thing I would be quite willing to back you up on that I think is justified is road improvement on the reservations. I think a lot of the welfare money that has been used could have been paid to these people for work on these projects on the reservations; they would be much happier. Then we would not be in need of this additional money you are talking about; it would be a transfer of money from welfare to local improvements.

A number of people may be on the borderline so far as doing heavy work on these reserves is concerned, but lots of jobs could be found for them to improve the reserves. They should be transferred from welfare to do the jobs that have to be done.

The Chairman: Gentlemen, we are planning to adjourn at one o'clock. A number of you indicated earlier you wanted to ask questions and then you asked detailed supplementary questions. I have Mr. Yewchuck, Mr. Dinsdale and Mr. Gundlock. Do you gentlemen still have questions you have been holding off? You all have? All right.

Mr. Chretien: I have a luncheon engagement at one o'clock with the Board of Historic Sites. They are in Ottawa and I have invited them. I am of the old school—it would be difficult for me to arrive last.

The Chairman: With the agreement of the Committee, Mr. Minister, we will excuse you for that appointment.

Mr. Yewchuk: I have a question in relation to Wood Buffalo Park. There is a problem in this area and since parks come under your Department, I thought I would ask you a question about your plans for road construction in the Park. I realize roads are the responsibility of the Department of Public Works.

Mr. Chretien: No, it is our responsibility.

Mr. Yewchuk: It is your responsibility?

Mr. Chretien: Yes.

Mr. Yewchuk: Can you tell me what roads you are going to build there in the next two or three years?

Mr. Chretien: No.

Mr. Yewchuk: There are many isolated reservations that have no communication with society and there is, of course, a beautiful big park there with tremendous recreational potential. Most of the people of this country have not seen it yet. There are 17,000 buffalo there.

Mr. Chrétien: I think your ideas are very good but it is a matter of priority. I would like to do that as quickly as possible but, as I said, I do not know where it stands on the priority list of capital expenditures.

Mr. Yewchuk: Would you be able to give me information on the general over-all plan for Wood Buffalo Park for, say, the next five years?

Mr. Chrétien: Yes, we will provide that.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: I shall try to conclude my questioning in four minutes. My concern, and I have expressed it several times this morning, is with the human problems of the Indians. This is where the real difficulty lies and everyone who has visited Indian reserves know this.

We have already asked questions on health, housing and so forth but I have a special question this morning concerning the problem of law and order on Indian reservations. A report was brought down in 1957. What action has been taken on this report?

Mr. Chrétien: I will ask Mr. Battle to answer that question.

Mr. Battle: In 1957?

Mr. Dinsdale: Excuse me; it is dated August, 1967.

Mr. Battle: The Indians and the Law report? This report, in addition to delineating particular problems, made reference to a number of agencies within whose area the responsibility to deal with these problems comes, and this involves a number of federal government departments and provincial agencies. We convened a meeting of representatives of these departments to consider all of the recommendations and problems that were outlined in the report.

• 1245

As a result of this meeting it was established which departments would assume responsibility for the various items, because most of the recommendations dealt with matters that come within the purview of departments other than ours. We have a general interest, of course, in the total situation and we have a responsibility to see that these other agencies provide the services that the Indian people need in order to overcome some of these particular problem areas. There have been meetings, there are now meetings taking place at the provincial level with a view to seeing what needs to be done and what can be done to improve the situation for Indians, there have been meetings with the John Howard Society and so on, and as a result of this we are hoping that the agencies that do have responsibility will be able to cope in a better way with some of the problems. This is the stage it is at, there is general agreement on the need for improved services for these people, and the agencies are now addressing themselves to this.

Mr. Dinsdale: So far as you know, have any of the recommendations been implemented through your own Department or other departments which have responsibility?

Mr. Battle: Before getting specific on this I would much rather that we examine it and prepare a report so that you will know exactly what has been done. I do not think I can go further than this.

Mr. Dinsdale: Is there an attempt being made to use the facilities of friendship centres so that the parole or probationary system might be more effectively applied to Indians? This is one of the strong recommendations. This would require personnel of Indian ancestry dealing with their own people.

Mr. Battle: One of the recommendations on which there was general agreement was that this needed to be done. The friendship centres of course have functioned essentially as creatures of the community, with financial support from the Citizenship Branch, the provinces and private agencies. Up until now they have functioned essentially as referral centres—referring people of Indian origin to the agencies that can provide services to them. I really cannot say that any new staff has been added as a result of these recommendations except to say that they are under consideration at the present time.

Mr. Dinsdale: You say that the citizenship grant is administered through the provinces?

Mr. Battle: That is right.

The Chairman: Mr. Dinsdale, could I interrupt you for a moment? Mr. Gundlock has a question which he wishes to direct to the Minister. Perhaps he could direct it now and then we will revert to your questions, which you can put to the officials who are here.

Mr. Gundlock: Mr. Chairman, I would like to have directed one question to the Minister but in view of the time and circumstances I feel that one of the officials will be able to answer it.

The Chairman: Mr. Howard, you have indicated a wish to put a question. Is it to the Minister or the officials?

Mr. Howard (Skeena): I understand Mr. Chrétien will be back again.

The Chairman: As I announced earlier, we are going to be dealing with jobs and vocational training tomorrow and next week.

Mr. Howard (Skeena): I could manage to find some other avenue of communication with him.

• 1250

Mr. Gundlock: My questions will be very, very short because the agenda is set up in such a way that one of the questions will be answered at another meeting. I recall some years ago a commitment being made in Tuktoyaktuk in regard to housing and general improvements within that community. Could one of the officials explain how far this program has come since that time?

Mr. J. H. Gordon (Senior Assistant Deputy Minister (Conservation), Department of Indian Affairs and Northern Development): I do not have details, Mr. Gundlock, on the Tuktoyaktuk situation. I think we were there together. I recall the situation quite clearly. The current housing program is reaching into the Mackenzie this year so the statistics I think would be quite different as a result of this year's program. If I can, Mr. Chairman, I would like to undertake to give you a separate report on where the Tuktoyaktuk housing program now stands.

Mr. Gundlock: Can you do that fairly soon?

Mr. Gordon: Yes, I will get at it right away.

The Chairman: Mr. Dinsdale, back to your questions.

Mr. Dinsdale: I am not going to trespass on the time of the Committee but I would appreciate a report on the present state of implementation of this important document with respect to law and order among our Indian friends. I was then going to pursue another subject which is dear to my heart, recreation on the reserves, because I think that our reserves are a no man's land so far as recreation facilities are concerned. They are spawning grounds for delinquency and all sorts of social problems. I think the gentlemen know Mr. Chairman, that if I had the time I would ask about arenas and skating rinks which have been asked for by Oak River and have been denied. They asked for assistance from this revolving fund and there has been no assistance forthcoming. I will not press you at this time, but I think recreation is a vital subject.

The Chairman: Thank you, Mr. Dinsdale.

Gentlemen, I remind you that tomorrow we will be dealing with jobs, employment opportunities, vocational training and education as it relates to vocational training.

I would like to put to the officials here some of the questions which I presume will be asked tomorrow. If no one else asks them, I will ask them. I hope you will have Indian unemployment figures, the number of children in vocational schools, the number of Indian graduates from vocational training programs and courses, the number of Indian people taking vocational training offered by private industry, what encouragement your Department is giving to private industry for this type of training program and, if it is possible, the percentage of unemployment among Indian high school graduates and also among high school dropouts. This will give you an idea of what we will be looking for.

Mr. MacDonald: Mr. Chairman, we will have the answers to some of them but there are others which we may not be able to get that quickly if we have not received notice before.

We have a brief statement on the subject of Indians and the Law which we could table with the Committee now.

• 1255

The Chairman: Would members of the Committee agree that this brief statement on the report Indians and the Law be tabled and be affixed as an appendix to this committee's proceedings?

Some hon. Members: Agreed.

Mr. MacDonald: We will provide such additional information as may be desired.

The Chairman: Thank you.

Would someone move that we adjourn?

Mr. Cullen: I so move.

APPENDIX H

"Indians and the Law"

In commissioning the "Indians and the Law" study the Department was anxious that the nature of the problem be better known and better appreciated by all levels of government and by others having a responsibility or concern. It is now apparent that in addition to providing a wider body of knowledge about its subject, the study is a value in calling attention to the need for concerted effort on the part of a wide range of agencies—local, provincial and federal.

The major responsibilities of the Department in regard to the study must be to insure that all agencies involved are made aware of the problems that exist, and to act in whatever way it can as a catalyst and enterpreter in the solution of problems. If only for jurisdictional reasons, it cannot act by itself. More importantly, it should not attempt to insert itself in place of existing agencies and further isolate Indians from the specialized and expert services of these agencies. Of the 17 recommendations arising from the study all but one involve, to a greater or lesser extent, provincial and other agencies outside the Department.

An inter-Departmental committee of federal departments concerned has been active in following up the recommendations of the report. Already arrangements have been made in conjunction with the R.C.M.P. to expand and improve the Indian constable system, one of the major recommendations of the Report. In addition close liaison is being maintained in the Solicitor General's Department in furthering the improvement of correctional services available to Indians.

In each of the provinces where the problem in question has been severe, talks have been held with the representatives of the Provincial Attorneys General to examine ways and means of finding effective solutions. In a number of regions seminars and conferences have been held involving Indian representatives, magistrates, the police, federal departments, the John Howard Society, parole services, churches, provincial corrections, educators and interested members of the general public. Again, over 2,000 copies of the "Indians and the Law" report have been distributed to members of parliament, provincial governments, federal departments, magistrates, law societies, wardens of penitentiaries and jails, the press and other media, Indian bands and organizations, private correctional agencies and members of the general public. In the months ahead the Department will continue to press for further improvements in the Indians' relationships with correctional and law enforcement agencies.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

FRIDAY, NOVEMBER 29, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; R. F. Davey, Director, Education Branch (Social Affairs); R. F. Battle, Assistant Deputy Minister (Social Affairs); O. N. Zakreski, Superintendent, Vocational Training & Special Services (Social Affairs); and D. W. Simpson, Assistant Director, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29399—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Gundlock,	Simpson,
Borrie,	Howard (*Skeena*),	Smerchanski,
[1] Buchanan,	Laprise,	Southam,
Cullen,	Marchand (*Kamloops-Cariboo*),	Thomson (*Battleford-Kindersley*)
Dinsdale,	Nielsen,	Yewchuck—(20)
[2] Durante	O'Connell,	
Duquet,	(Quorum 11)	

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Goode on November 29, 1968.
[2] Replaced Mr. Forget on November 29, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS
FRIDAY, November 29, 1968.

Ordered,—That the names of Messrs. Buchanan and Durante be substituted for those of Messrs. Goode and Forget on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29399—1½

MINUTES OF PROCEEDINGS

FRIDAY, November 29, 1968.
(7)

The Standing Committee on Indian Affairs and Northern Development met at 9:45 a.m. this day. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Gundlock, Howard (*Skeena*), Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (11).

Also present: Mr. Durante, M.P.

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); R. F. Davey, Director, Education Branch (Social Affairs); R. Steward, Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development); Messrs. D. W. Simpson, Assistant Director, Education Branch (Social Affairs); O. N. Zakreski, Superintendent, Vocational Training and Special Services, (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

By special order of the Committee on Thursday, November 28, 1968, the Committee proceeded to the consideration of the subject-matter *Jobs-education, retraining and employment of Indians and Eskimos.*

The Chairman called *Item 5* of the Revised Main Estimates 1968-69 of the Department of Indian Affairs and Northern Development;

> Indians Affairs — *Administration Operation and Maintenance $101,201,000.*

The Chairman announced the names of the officials who were present. Following a question by Mr. Cullen, Mr. MacDonald, Deputy Minister of Indian Affairs and Northern Development read a prepared statement dealing with the subject-matter under consideration by the Committee.

Mr. MacDonald answers questions, assisted by Messrs. Davey, Battle, Zakreski and Simpson. Messrs. Durante, Cullen and Borrie asked for additional information, to be provided by the Department at the next meeting.

At approximately 10:55 a.m., the Chairman directed certain questions to Mr. Francis and he replied.

At 11:00 a.m., the questioning of the witnesses continuing, on motion of Mr. Cullen, it was

Agreed,—That the Committee adjourn until Tuesday, December 3, 1968.

Hugh R. Stewart,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, November 29, 1968.

• 0945

The Chairman: Gentlemen, I am going to call the meeting to order.

As a result of a special order of our Committee on Thursday, November 28, 1968, we have decided that today and next Tuesday will be devoted to a detailed study of jobs, education, retraining and employment of Indians and Eskimos.

The relevant item in the estimates is Item 5, Page 192 of the Blue Book.

Our witnesses today are Mr. J. A. MacDonald, Deputy Minister, Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation), Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs), Mr. R. F. Davey, Director, Education Branch (Social Affairs), Mr. R. Steward, Personnel Adviser, Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development), Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs), and Mr. O. N. Zakreski, Superintendent, Vocational Training and Special Services (Social Affairs). We also have with us Mr. Francis, the Assistant Deputy Minister of Manpower, Department of Manpower and Immigration and Mr. Cable and Mr. Mills of the Department of Indian Affairs and Northern Development. If any members have questions which they want to lead off with I will receive them Mr. Cullen.

Mr. Cullen: Mr. Chairman, just by way of a preliminary, I have been reading newspaper reports and I refer specifically to a student, Mary Carpenter, who I believe is in her second year at the University of Western Ontario.

One of her complaints seems to be that she is concerned about the Indian becoming a second-class citizen because they are trained in jobs such as bulldozer operators, working around mining camps as labourers, and this kind of thing—working up into jobs.

I am concerned to find out this morning whether or not, going beyond the high school or the secondary school level, do we have many Indians in that group?

Now, I know in our own area the Indians have been attending the public and the high schools for something in excess of 20 or 25 years. I do not know whether this was the first system where they were totally integrated but certainly that is the situation in the Sarnia riding.

From the secondary school level I do not know that there has been any student that has gone beyond that to university and I am primarily interested in whether what Miss Carpenter says is in effect true, that we are only training these students to a secondary school education, or to these tasks such as bulldozer operators. Do they get the opportunity to get a more formal type of education?

The Chairman: I will ask Mr. MacDonald to answer that.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Chairman, I cannot deal with that question personally in the affirmative. Training for both Indians and Eskimos is offered and supported by the Department through a university. We can give the specific figures.

I wonder, Mr. Chairman, if it would be of any assistance to the Committee because there is a great deal of background information on what in fact is being done and I have a statement which endeavours to bring out what students are under training, what training programs are available and what we know about the relevant statistics which might be of assistance to members, not only today but at the second meeting on Tuesday, when this would be in the record and they could go back and ask us questions about the various points that we have put in here.

The Chairman: If it is agreeable to the Committee, I think it would be a good idea for Mr. MacDonald to read this.

Agreed.

Mr. MacDonald: Mr. Chairman, the Department's responsibility towards the Indian and Eskimo people is to ensure that they

have a chance to participate on equal terms with all other Canadians.

To accomplish this objective the emphasis is placed, as it should be, on education, good health and the provision of job opportunities commensurate with the degree of skill acquired. There should be no social barriers to prevent the indigenous population from pursuing their own aims within the framework of our society, so long as we can provide the necessary training and such other assistance to bring these goals within their reach.

• 0950

I think everyone is agreed that the Indian and Eskimo occupy a special position in our society. As long as they pursued their traditional hunting and fishing existence, they could remain self sufficient, but as this way of life became increasingly precarious, the younger generation began to reject it. Limited local resources, the transition from the nomadic life to one of urbanization, and the provision of modern facilities, schools and hospitals, have had a profound effect upon the entire indigenous population. In order to give a clear picture of the Department's policies, it would be advisable to divide this statement into two parts, one dealing with the north where our position is somewhat different and one dealing with the rest of Canada.

I shall define the north as that part of Canada known as the two northern territories, and that portion of Quebec known as New Quebec. In all the schools and training establishments in that vast area something over 90 per cent of all Eskimo children of school age attend school and over 95 per cent of the Indian population. Those acquiring only a partial education pose many social and economic problems. In the light of existing conditions the prospects for employment for the indigenous people of northern Canada is not bright. The population growth is one of the highest in the world at 4 per cent as compared to a world average of 2.1 per cent and a Latin American average of 2.8 per cent Job opportunities in the settlements have not kept pace with the rapid expansion in population. There are growing numbers of employable people who, because of the lack of employment opportunities, must apply for social assistance to secure the basic necessities of life.

From preliminary studies, we have concluded that by 1981 the estimated Indian and Eskimo Labour Force for the Northwest Territories, assuming no migration will exceed 13,000 of which 9,500 are between 15 and 40 years of age.

Unlike most developing societies, Canada's northern territories have no viable agricultural base upon which to build and diversify the economy. The largest employer is the Government of Canada, and by implication the two territorial governments. To ensure the indigenous population has an opportunity to obtain a proper proportion of the available jobs, the Government of Canada has pledged itself to fill 75 per cent of all its positions in the North with northern residents by 1977.

In addition to the extensive system of schools already maintained, a policy has been adopted to create an on-the-job training program, apprenticeship program, and adapting the present curriculum in the high schools to include commercial, industrial arts and home economics.

It is our earnest desire to equip the Indian and Eskimo through a variety of training programs so that he can successfully enter the Canadian wage employed work force. We would prefer to see the jobs made available in our northern communities, but one has to be realistic. While the current trend is towards centralizing the population into larger settlements, it is not always possible to find sufficient jobs for all. Nor have we reached the position in which all the skills required can be found in the existing indigenous population. Many of the specialized skills still have to be imported from southern Canada, particularly in mining communities, where chemists, metallurgists and similar skills are just not available at present among the local population.

When the Government of Canada is involved in assistance to a mining corporation under existing policies for northern development, it includes in the terms of agreement measures to ensure future employment for the local residents, and in particular the Indian and Eskimo population.

For the benefit of the Committee, I would like to read part of clause 3 of the Terms of Agreement between the Government of Canada and the Anvil Mining Corporation, with respect to the development of a lead-zinc mine in the Yukon Territory the largest such development in recent time:

> (a) During the second stage Anvil will, subject to sub-section 3, employ compe-

tent local residents, particularly Indians and Eskimos, to the extent of at least 5 per cent of the total number of employees with the first year, raising to 10 per cent in the second year and 25 per cent in the fifth year after the mine comes into production.

(b) Institute a training program for supervisors and foremen to ensure compliance with the undertakings set forth in paragraph (a) of this subsection.

This is the type of clause that we are endeavouring to negotiate whenever we render development assistance to large industries in the north. At the same time, the Government of Canada will make available any vocational training programs to the company and request such other programs involving training and relocation administered by the Department of Manpower and Immigration to be also made available to the company.

• 0955

I would also like to refer you to the experiment embarked upon by the Great Slave Lake Railway in collaboration with our Department. I cannot do better than quote from their own report.

"It was agreed that a few Eskimos should be brought from the Arctic and given an opportunity to undergo training in various jobs on the railway. The original group numbered six and was comprised to two single and four married. The married men had from one to three children. The group was set up at Hay River in trailers and an on-the-job training program was immediately started in the fields of locomotive maintenance and operation. The men showed a keen interest in their work and in a remarkably short time qualified to do certain work entirely on their own. The total number of Eskimos working on the railway has increased to seventy-five. They perform in all functions of railway work in the operations of the entire system."

Now that the Panarctic consortium is actively exploring for oil in the Arctic islands, similar arrangements have been made to train a number of Eskimos as oil riggers. Five are now under training in Edmonton and two more will be training next month. There should be no skill required in the development of the north country we feel for which the local population cannot aspire, given proper training and counselling.

On March 31, 1968, vocational training accounted for 620 Eskimo and Indians who were undergoing training in courses ranging from aircraft mechanics to welding. A large number of these are taking their training outside the territories, but in the federal vocational schools in Yellowknife there are 177 northern students, at Churchill, 187 and at Inuvik 40 students are engaged in vocational pursuits.

Although the economic base in the territories is restricted mainly to the mining industry, we have seen in recent years a considerable expansion in this field. Economic development of the northern region involves two main interrelated considerations:—

1. The need to assure that the region contributes to total national output, and to the sustained, long-run growth of that output, on the basis of the fullest and most efficient use of the human and material resources available to the region.

2. The need to raise the average level of income of the inhabitants of the region.

Government policies affecting the territorial mining industry have undoubtedly stimulated the industry. This has been accomplished to a large extent by the infrastructure in the provision of roads, transport, telecommunications and power. One hopes that the development of the mineral industry will bring about an improvement in the welfare of the inhabitants. We are not entirely satisfied, however, with the progress being made in absorbing the Indian and Eskimo into the labour force. Our statistics indicate that as of June 1968, of a total employment in the mining industry in the northern territories of 2,002 only 91 or 4.5 per cent of the labour force of producing mines were Indians or Eskimos. The 1961 census of population of both territories was 36,726 of which 16,607 or 43.3 per cent were classified as indigenous. We know there are serious problems of social adjustment, and in the past there have been other major difficulties. Some employers were tolerant and were prepared to assist in the acculturation process. Others were probably unnecessarily impatient. We are engaged in a number of programs to resolve these problems. Apart from the increased school facilities, a determined effort to provide proper

housing for both Indians and Eskimos has been underway for some considerable time.

I do not wish to give the impression that only the mining industry is being encouraged to accept more indigenous employees. It just happens to be one of the major sources of job opportunities, and it will continue to be so. In the field of communications, job opportunities have been opened up to the Indian and Eskimo, both by the C.B.C. and C.N. Telegraph. Apart from obvious developments, which by their nature will employ local residents, such as tourism, fishing, hotels, and so forth, we seek to encourage small business developments and service industries which are necessary to support the existing population. Thus, we have sent out promising young Indians and Eskimos to learn the haircutting and hairdressing trades, and to train as nurses and nursing aides and air stewardesses.

• 1000

So that Indian and Eskimo families can adjust to the new way of life a Family Training Plan has been introduced to assist in this difficult transition. The aim of the program is to help families adjust to an industrialized social and working environment. During the period of training the family is exposed to the kind of pressures in time and scheduling which exist in southern environments.

Another important aspect is the counselling program. Particular attention is given to the adjustment of wives and children to their new roles and environment. Counselling is viewed as a continuing process which would commence with the initial selection process and terminate only when the relocated family has achieved a successful adjustment to the new environment. One cannot expect these relocations to be easy and simple. A report which has just been completed examined the effects of relocation of Eskimos from their natural habitat to Yellowknife, Lynn Lake in Manitoba and the Great Slave Lake Railway. The conclusions reached in this report indicated that while there are drawbacks, there are long-term benefits. It seems that the biggest problem is housing at reasonable costs. Other problems pinpointed the loneliness of the unmarried Eskimo in this new milieu. The Indian and Eskimo often finds it difficult to adjust to the many things we take for granted, such as tax obligations, loans and mortgage systems and credit systems.

We are attempting to tackle these problems, and while the problems of providing job opportunities for the Indian and Eskimo although immense they are not insuperable. We know that wage employment is essential if the Indian and Eskimo is to achieve a better standard of living. Our studies show that in 1967, the average annual per capita income of the Indian at Fort Rae, Great Slave Lake was only $275.00, at Fort Simpson it reached $800.00 of which 74 per cent was earned. The problems of economic development in the northern territories are unique, but they are being tackled and if the progress appears slow at times, it is because I think crash programs in human development are unrealistic and certainly very difficult.

The second part of this paper is devoted to the development of the Indian people in that part of Canada outside the territories, where the federal government has particular responsibilities. The programs of assistance are not dissimilar from those in the territories, nevertheless the Department has a dual role in the north, of fostering the economic development while, at the same time developing its human resources. Obviously in the rest of Canada where the majority of Indians reside, the problems assume greater magnitude.

In 1967-68, 2,081 Indian adults received training in vocational courses, while a further 225 were registered in university, teacher training schools and nursing schools.

In addition, the Adult Education Program includes all forms of training to prepare Indian adults for employment or will lead to an improved standard of living in their home community. Adult education is distinguished from vocational training in that Adult Education refers to group training carried on in communities, whereas vocational training includes all those persons who are assisted individually and usually involves relocation away from the home community. In 1967-68, a total of 9,159 adult persons were enrolled in adult education programs in their home communities. This compares with 3,815 in the previous year. I would like to summarize for you the programs of assistance in which we are engaged.

Employment and Relocation Program

The objective of this program is to exploit to the fullest possible extent employment opportunities for Indians in both urban and rural areas in a wide range of occupations

and professions. The program first started off with one employment and relocation counsellor in each of our seven regions. To date we now have 34 employment and relocation counsellors with an additional 14 to be recruited shortly. In pursuing the objective it was considered that certain key factors had to be kept in mind. Firstly, the confidence of the Indians was essential—they had to see the move as a sincere and carefully prepared plan to help them achieve better living standards rather than an attempt to break up their communities and to condemn their own people to a dismal life in some urban slum. Secondly, the attitude of the non-Indian community had to undergo change if its acceptance by the community was to be assured.

Thirdly, the empoyer individually and as a class had to be convinced that the Indian given the vocational skill and a reasonable measure of acceptance and support in the community and on the job could become a successful and valued employee.

• 1005

Training on the Job

This component of the employment and relocation program has considerable merit and provides a means of enabling older workers particularly to acquire skills by a period of on-the-job training. The Department has authority to enter contracts with industry to share the cost of wages for a period up to 12 months. In the past two years, some 200 Indians have been trained in this way in a wide range of occupations including mill work, sheet metal work, boat building, lacrosse stick making, and so on. In addition to individual contracts for on-the-job training, group placement has also been made with large Canadian companies, such as C.I.P. and the Iron Ore Company of Canada. In addition, an experimental program is being carried out within departmental headquarters to train Indians and Eskimos as key punch operators within the Computer Information Systems. It is likely that this program will be extended considerably should the demand for key punch operating skills remain at a high level. We think it of particular importance to identify Indians with a highly sophisticated requirement of this nature.

In-Service Training

This component of this program provides a sheltered work environment for Indians who have graduated from business or commercial schools but require actual experience on the job before qualifying for permanent positions in government and industry. During the past year, 144 young Indian people undertook this training most of whom are now in regular employment. During the period of in-service training, an allowance to cover such things as the cost of room and board, clothing, personal allowance, and so forth is paid.

Employment Placements

During the past year over 3,000 Indians were placed in regular employment in a wide range of occupations and trades.

In addition, some 8,000 Indians during the past year were assisted to obtain employment of a seasonal or short-term nature. An example is the program involving the movement of Indians from the British Columbia interior to the Okanagan Valley to assist in harvesting the vegatable and apple crops in that area.

A similar movement was also undertaken in the Province of Quebec and a smaller number from reserves in Ontario to the Niagara Peninsula for the fruit harvest there. In addition over 2,000 Indians moved to the sugar-beet area of southern Alberta assisted by the Department of Manpower and Immigration and the Alberta Federal-Priovincial Agricultural Manpower Committee.

It should be pointed out that in exploiting employment opportunities the resources of the Department of Manpower and Immigration and the provincial departments of labour as well as other agencies are used to the maximum extent possible. An example of this is the training of fire fighters undertaken in a number of provinces. In Alberta alone 1,912 Indians have been certified as first-class fire fighters.

Where Indian reserves are situated in areas where it is impossible to bring about an economically viable base, we are attempting relocation of families to areas of better employment. For the fiscal year ending March 31, 1967, 148 families comprising 596 dependents were relocated. In the following year ending March 31, 1968, this had risen to 287 families or 1,087 dependents.

In seven provinces pilot relocation schemes have been organized and perhaps the one at Elliot Lake in Ontario is the one which has received the most publicity. This involved moving 20 families and their dependents into

a completely new and sophisticated environment. It required proper selection of the family desirous of moving, a sympathetic community to move to, and a well-organized training and acculturation program. The Elliot Lake program has been well documented by a well-known sociologist and copies of his report are available. The Elliot Lake Pilot Relocation project showed some dramatic academic upgrading worthy of note. The average grade standing of the group that made the move was grade 4 at the time, and at the present time some two years later, the grade levels reached include 10, 11 and some have completed their vocational training.

Lastly, I think the committee would want to know what the Department is doing to recruit into its ranks competent Indians and Eskimos and what progress we have made to date. Indians and Eskimos now occupy 764 of the 8,376 full-time man years on the establishment of the Department.

• 1010

Of the 764 employed full time, 510 are engaged in work directly involving the Indian people, 160 are teachers in Indian Day Schools across Canada, the remainder occupy positions at Agency and Regional Headquarters as clerks, typists, counsellors, as so forth. I should point out that there is a 17 per cent vacancy rate in the Department. This means that 764 of the remaining 83 per cent of the occupied positions amount to approximately 11 per cent of our strength and filled by Indians or Eskimos. In addition, 2,775 man-years used in casual labour are Indian and Eskimo, which represents a large percentage of the total casual labour employed. In our national parks, particularly those in western Canada, where Indian reserves are in close proximity, 31 Indians have permanent employment and 49 occupy casual positions.

In addition to employing Indian and Eskimo persons within our own service, we see it as our responsibility to promote actively the employment of these people within the federal government service as a whole, and on projects where there is an input of federal government funds. The Advisory Committee on Northern Development has started to publish in its annual report of the "Government Activities in the North" the percentages indicated by government departments and Crown agencies of those northern residents employed by them. By this means, we can indicate the trend towards filling the 75 per cent target in 1977.

On the whole there is a great deal of sympathy and desire to help Indian and Eskimo people on the part of the Canadian population as a whole. While there is a tendency to oversimplify the problem of developing employment opportunities, nevertheless it is the problem of social adjustment which is the real one. We consider this as one of the major tasks, the attempt to relocate the Indian and Eskimo into the mainstream of Canadian life. The support and assistance by the Department cannot end after the job has been found and the applicant placed. Because of the problems, and we do not pretend to know all the answers, we have instituted a number of research programs with independent agencies, social anthropologists and others. We hope, by this means to add to our existing store of knowledge for ourselves and for others. Above all we recognize our special responsibility, and the special needs of the Indian and Eskimo people.

That, Mr. Chairman, is the bit of background information and statistics that we have in our possession which might serve the Committee at a subsequent meeting.

The Chairman: Thank you very much, Mr. MacDonald. I have an indication from Mr. Howard that he has a question. Mr. Howard.

Mr. Howard (Skeena): Mr. Chairman, one of the aspects of the Department of Indian Affairs which has sort of been left out of the picture, I think, is that education is a two-way concept. A lot of the native people, for instance, abhor the word "integration" and rightly so, I think, because it has meant a one-way venture.

In other words, the non-Indian society has said to the native Indian, "you come our way. Integration means you come with us. Forget about your own history, and cultural, and language, et cetera, et cetera and lose yourself in society", and the Indian has objected to this, of course.

It seems to me something similar is true with respect to education that if we are to have—and to me any sort of educational program and advancement of any group of people, it has got to be based on mutual respect and self-respect of the group and the individual. But, of course, here we run into the constitutional aspect of it; that education is provincial in jurisdiction.

This has always been a complaint of mine that there is not any real value to the educa-

tional program conducted by provincial governments in so far as getting across to non-Indian students in school the real true colourful history of the native people in Canada. There is a blank spot there.

Mr. MacDonald: I would agree, Mr. Howard. We, by the way, avoid using the word integration now even though semantically it probably is not objectionable and certainly we avoid the use of the word "assimilation" because this is not the objective.

I think the most useful and suitable word that we have been able to find is "participation", that is, the objective of the various programs that we are running are designed, we hope, to enable the Indian people to participate in Canadian life, which does not imply any loss of culture background.

• 1015

There is a very real problem in our educational system with respect to the historic portrayal of the past of the Indians about which I think Indian people feel very keenly. Our Minister has recently written in this connection to all of the provincial ministers of education in an endeavour to enlist their support in trying, through the provincial educational system, to do something about the text books which are employed and he has received a gratifying response from them indicating, I think, the increasing awareness among Canadian society as a whole of the inequity of this type of portrayal.

Within our own Department and our own educational system we are trying to recognize the cultural values. We have a cultural program under the charge of an Indian. Reverend Ahab Spence. We are supporting language instruction and retention through our educational system and making for that. I will ask Mr. Davey, who is the Director of our Education Branch, if he would like to elaborate on what we are doing in that direction to try to make the point that Mr. Howard has raised.

Mr. R. F. Davey (Director, Education Branch (Social Affairs) Department of Indian Affairs and Northern Development): Yes. One of the chief activities of the Education Branch is to give support to programs which are now becoming evident in the provincial systems.

I am thinking especially of the program of cross-cultural education which is offered at the University of Alberta. I am thinking of the program which deals specifically with the kinds of programs that are offered in the schools which is being carried on at the University of Saskatchewan.

There is evidence of interest too in the newly established University of Calgary who are undertaking, with the support of the Department, studies related particularly to the problems which the Indian child faces when he is admitted to the classes which are operated by the provinces.

To regress for a moment and to make more specific reference to the program in Saskatchewan, this deals particularly with the problems which the provinces are now becoming aware of in providing an educational program to people who have a quite different cultural background.

The Education Branch of this Department is working with the Saskatchewan Department of Education to improve the educational program which is offered in the northern area of Saskatchewan.

Another bit of evidence which indicates the concern which the provinces have about this is the introduction or authorization of a book of legends which was written by an Indian and is now part of the program studies in the province of British Columbia. These are some of the things we are trying to do.

Basically we feel that this is a problem which can best be handled by the provinces and that it is our responsibility to support the provinces and interpret to them, from the experience that we have had, the need for taking into account the fact that the Indian people do have a cultural heritage which they wish to maintain to some degree and extent.

The Chairman: Gentlemen, I would just like to remind everyone that we have only until 11 o'clock and that we have people here from the Department of Manpower and Immigration as well, so if the Committee will agree we will switch over to Manpower at 10.40 a.m. to allow us to open up that field as well. If members will try and restrict themselves so that we can each have a question or two between now and then. Mr. Howard?

• 1020

Mr. Howard (Skeena): Yes. I really had not got to anything specific when Mr. MacDonald and Mr. Davey thought it well to comment upon what I was getting at.

What I was leading up to was the whole question of the constitutional aspect of edu-

cation. While I may ask it facetiously in a sense at the moment, I would like to know when you are going to get out of business—when both of you are going to disappear as an agency dealing with education?

I would like to know in that respect what is the situation with respect to negotiations or discussions at least that are taking place with the various provinces in this field of education—these negotiations are to work out an agreement with the provincial governments and departments of education so that the province will have the full jurisdiction with respect to education.

Mr. MacDonald: The policy, Mr. Howard, is quite clear: it is to get out of business. We have been pursuing this policy vigorously with every one of the provinces and have followed the technique of specific agreements in most instances with school boards to take Indian children wherever it was physically feasible to do so. The policy has been quite successful.

We are prepared to go as far and as quickly as the provinces and the school boards are willing to go. The only impediments usually have been of remoteness and the absence of an adequate school system to take over from us.

Even so, at the present time, we are still, I think, in approximately a 50-50 split in Indian children between those in provincial or ordinary school systems and those run entirely by the Department notwithstanding the greater number we have moved into the provincial systems and this is due entirely to the rapid growth of the population base.

Either Mr. Battle or Mr. Davey might give more specifics about our current negotiations with some provinces at least and indicate the hope of taking over even the more remote areas.

Mr. Howard (Skeena): Could either of the gentlemen indicate what is likely or whether there is any proposed solution to the position of Indian day schools which are on reserves or likely to be on federal Crown property and whether these would come under the jurisdiction of the respective school boards or school districts?

Mr. Davey: Yes, some progress has already been made in that direction. I am thinking of the Northland School Division in Alberta which has taken over the operation of schools on Indian reserves. Similar moves have taken place this year in northern Saskatchewan and also this year in northern Manitoba.

These are, of course, only undertaken with the consent of the Indian group concerned. When the consent of the province and the Indian people is secured with respect to schools operating on Indian reserves, the building is usually leased to the school board who will conduct the program on a nominal basis, for a nominal amount. It appears that this is the direction in which we are likely to progress.

Mr. Howard (Skeena): To go back a few years, this was held up as an obstacle at one time which was insurmountable. I am glad to see that we have got over the hurdle anyway. I wonder if I could just have one or two other questions? One which relates to what Mr. MacDonald said about teaching a language and the culture and maintaining it. How is this happening? How are you doing this?

Mr. Davey: One of the methods being used at the present time both in the North and in the South, particularly in respect to the kindergarten program, where Indian women, who are not necessarily qualified teachers but who have had some training usually with the kindergarten teacher in the same program, are appointed to work in the classroom with the teacher. This is one method.

A second approach has been to advise Indian communities that there is a period during the week when they can introduce some cultural activity. It may be arts and crafts, it may be oral language instruction, or it may be a native dance period. I must say at the present time, very few communities have taken advantage of this, but there are some and I expect that it will grow.

• 1025

Mr. Howard (Skeena): I wonder if you could provide me with—perhaps not now because of the time involved—a list of the communities within which this is operative, say, in British Columbia for my own immediate use?

Mr. Davey: Quite frankly, I cannot recall of one in British Columbia.

Mr. Howard (Skeena): Well, the list will be relatively short then. Another aspect of this that I am interested in, Mr. Chairman, is the program whereby high school students leave

their home community—I am again looking at British Columbia—and go to areas like the lower mainland, Vancouver, the Fraser Valley etcetera, and probably the same thing is true on Vancouver Island with respect, say, to southern Vancouver Island.

The children who leave their home community and go to this larger metropolitan area, live in what are in effect foster homes on a temporary basis. There has been a tremendous amount of dissatisfaction with this and I would be interested in knowing what is—to use the common phrase—the drop-out rate of students who have participated in that program?

Again, from knowledge of people at home, a number of younger people in the families that I know have felt completely alienated living in a home environment in the lower mainland with people they do not know, there is some split in the personality relationship in the family or some difficulty arises that was not known before. As a consequence the person feels even more alienated from society than he normally might be. So there is a tendency to leave, not the school, but the so-called foster home environment and drop out. I would appreciate knowing what is happening there.

Mr. Davey: A study on this particular problem is presently under way so that I am not in a position to provide data now. It will probably be several months before the study is completed because it involves a sampling across Canada. For the information of the Committee, this program on the national basis involves over 3,000 young people. It is a very extensive program.

Mr. Howard (Skeena): The limited experience by relationship, that I have had with it is that it is not successful just because of that. It is not as successful as everyone hoped it might have been in the first place.

Mr. Davey: This is not my impression, but I am hoping the study will answer you.

Mr. Howard (Skeena): I think I had better desist, Mr. Chairman.

The Chairman: Thank you, Mr. Howard. Mr. Durante?

Mr. Durante: Thank you very much, Mr. Howard. First of all the Chairman indicates to us that we have only 15 minutes on this important topic of Indian education and then Mr. Howard uses us two thirds of the time.

The Chairman: We will be back here next Tuesday on this subject.

• 1030

Mr. Durante: I certainly hope so because I do not think that we can discuss this whole vast area of Indian education in 10, 15 or 20 minutes. I would like to make reference to the point that Mr. Davey made with regard to his answer to Mr. Howard's question about Indian culture.

I am pleased, sir, that you made reference to the Province of British Columbia prescribing a text in their school system, and I would like to make mention of the author of that book, Mr. George Clutesi, who is a renowned author and artist in British Columbia.

I think that the Department of Education in British Columbia is to be commended for prescribing his text as a language arts text at the fourth grade level. However, sir, this raises this question in my mind. Do you know that the same Mr. Clutesi was employed at the Alberni Indian Residential School as a painter, and I do not mean as an artist, but as a painter of fences?

I think this is most unfortunate and I would like to know why the Department of Indian Affairs and Northern Development would allow this man's talents to be wasted by painting fences when he is an artist and an author.

Mr. R. F. Battle (Assistant Deputy Minister, Social Affairs, Department of Indian Affairs and Northern Development): I was not aware that he was employed as a painter.

Mr. Durante: Well, were you aware that he was employed?

Mr. Davey: I was aware that Mr. Clutesi was employed at the Alberni Indian Residential School.

Mr. Durante: As a painter of fences—as a maintenance man?

Mr. Davey: No, I was not aware of this capacity. I knew he did take quite an active part in some of the student activities.

Mr. Durante: On a voluntary basis—Indian dances, yes, but purely voluntary. This is the crux of the whole issue. Surely the Department of Indian Affairs and Northern Development is aware of this man's talents, his calibre and if they are not aware that he was employed as a maintenance man, they should

have been aware that he was not within their employ as a leader of Indian culture, not only in that community, or in the province, but in the whole country.

I really do not like to go to battle over one individual but I would like to know if this is a situation with Mr. Clutesi, how many other leaders in the Indian community do we have who are not taken full advantage of as far as their talents and opportunity are concerned? I think it is most unfortunate.

I think that the points that have been raised so far are very realistic. That we must retain this culture not only for the Indian people but for ourselves—for the white people—for the non-Indian. Here we have a man who is outstanding in this field, and I now understand that he is unemployed completely.

I would also like at this time to make reference to payments to Indians to assist in relocation. I see in the estimates that this amount is being increased this year by nearly two and a half, or over two and a half times, and I would like to know just exactly how you assist the Indian when you relocate him because I have seen no evidence of this so far.

Mr. Davey: Mr. Zakreski, could you answer to that please?

The Chairman: Mr. Zakreski is the placement and relocation specialist with the Department of Indian Affairs and Northern Development.

Mr. O. N. Zakreski (Superintendent, Vocational Training and Special Services (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, as I understand it, the question is specifically what assistance is available to Indian people who wish to relocate?

Mr. Durante: How do you assist the Indian when you relocate him?

Mr. Zakreski: There are two forms of assistance. First of all, we have a counselling service and prior to relocation we try and counsel the people as to what relocation involves, what problems they might encounter, and once this is done, and the Indian person decides he wants to relocate, we have assistance for them for actual transportation from where they are to where they are relocating and the place of relocation is determined primarily by where employment is available.

We have assistance for interim financial assistance to the person until they have become established in employment. We have assistance for housing accommodation, the necessities that they might require until he has been established. Now, generally this is what it is. We have assistance, for example, home furnishings. It will vary in individual cases depending on what the individual has and what they require.

Mr. Durante: Let me indicate that I have just returned from a tour of the northern end of Comox-Alberni which embraces the northern end of Vancouver Island and the adjacent islands.

• 1035

There has been a relocation program going on in that area and quite frankly, sir, I am appalled at what has gone on and I hope that the relocation that has occurred there does not—well, I know that it does not fall within the policies you have just outlined. I understand from what you say that Indians are not forced to relocate.

Mr. Zakreski: That is correct.

Mr. Durante: I do not think it is always true however, because I would like to make reference to the Tsulquate reserve in Port Hardy.

A large number of Indians have been brought on to the Tsulquate reserve, many of them against their wishes, they have now been housed in that reserve and the average tenancy is 10 per house. That is 10 Indians per house and the homes are 700 square feet. What is worse is that the homes that they left behind were burned to the ground. Now how on earth can you or anyone else justify this action?

Mr. MacDonald: Mr. Chairman, I think we will have to have an investigation into this because I do not know how it can be done against their will. Have you any information to suggest how they were forced—what is the background? It seems to be incredible.

Mr. Durante: It seems to me incredible too. It seems even more incredible that a home should be burned to the ground and that they should be required to live in the conditions in which they are now living, conditions which I saw two days ago, I was in the homes.

Mr. MacDonald: The Department has no power to force anybody to do anything.

The Chairman: Mr. Durante, we can perhaps ask for an inquiry over the weekend and we might be able to have some answers on this.

Mr. Durante: Yes, I think that we had better have some answers in that regard. I have one other question, if I may, Mr. Chairman. Do I understand that when Indian children are placed in foster homes that they are given a youth allowance?

Mr. Davey: They are given assistance.

Mr. Durante: Financial assistance?

Mr. Davey: That is right.

Mr. Durante: They are given what you and I would call an allowance of so much per week or month.

Mr. Davey: That is correct. For incidental expenses.

Mr. Durante: And how much is that?

Mr. Davey: It varies in accordance with what appears to be the need.

Mr. Durante: Age?

Mr. Davey: That is right. And also age.

Mr. Durante: Do Indian students in residential schools receive similar allowances?

Mr. Davey: No, they do not.

Mr. Durante: Why?

Mr. Davey: Because there are other sources of funds for that. Many of the requirements for incidental expenses are met by the residents.

Mr. Durante: But surely a part of any child's training is how to handle money and these children are turned out of our residential schools when they graduate from the public high schools. They are turned out into the streets and they have never been permitted to handle a $10 bill?

I submit that these children too have incidental expenses which cannot be met by the residential schools such as buying a chocolate bar or a Coke when they are permitted to go into town.

The Chairman: Thank you, Mr. Durante. I wonder if Mr. Zakreski could, when he is looking for an answer to the question raised by Mr. Durante, whether he would also determine for the Committee whether this move was made to bring these particular Indian families closer to an industry or closer to work availability.

Mr. Zakreski: I will look after this, Mr. Chairman.

The Chairman: Mr. Cullen is next on the list.

Mr. Cullen: Yes. It seems to me Mr. Chairman, and I think it is true both of Mr. Howard's comments and Mr. Durante's, that the Department unfortunately only hears all the bad and very little of the good.

I want them to know that certainly in my area we are extremely pleased with the help and the assistance that we have received from the Department.

So much so that the local Sarnia Indian reserve now is doing its own negotiating with the Department of Highways to establish a proper provincial highway through that reserve.

• 1040

They are doing their own negotiating to obtain feeder roads and they would not have been able to do this I do not think 10 years ago but with the fact—you do not want to use the word "integrated"—but with the fact that the present chief had the opportunity to attend the school system as presented in the Sarnia area.

He has done a considerable amount of reading and he is singularly interested in the members of his own tribe obviously because he has been re-elected time and time again. These are men that are now negotiating, putting highways through and looking forward to developing that in a highly industrialized area.

I wanted to follow up the comment, however, made by Mr. Howard. I recognize that this is probably out of your field but I still think that a recommendation could be made by the Department.

When we talk about integration and we talk about participation it is always the Indian comes into the White man's school. I think frankly in my own area that the Department or the board of education missed the boat a bit when they did not either put an elementary or a secondary school right in the Indian reserve and take the white children to the Indian reserve or let the other students take the buses to the school. I think it would be

more important—more appropriate— if it was the secondary school.

I do not know whether this has been done in other areas. Now, I am not suggesting that they can just go ahead and do it. First of all, thank goodness the local reserve has pretty well local autonomy as much as I have been able to determine and they would have to first of all agree to this measure. But having agreed to it, and I do not see why they would not, this strikes me as being the best way.

They are talking about bringing Indian culture to the students, well, then, let us bring the students to the area where the culture is actually in existence.

I think you could give the Indian more pride in this culture. I think the Indian himself would be more aware of the fact that he is being looked at now. When I lived in the area kids came off the reserve and they came into our schools and I do not think I was on the reserve once in the 12 or 15 years that I was down there, with one exception and that was when they had—I do not know whether they call it a "powwow" or not but that in essence where they showed the Indian dances, the Indian headdresses, they brought Indians in from other reserves to show the differences between the Chippewa, the Algonquin, and we got a bit of culture in about an hour. It is like getting your bit of church on Sunday morning, we got an hour of a bit of Indian culture once in 10 years.

I would like to see a daily integration; a white student going into the Indian school on the Indian reserve and if that has not been suggested to the Department of Education in Ontario and other provinces I think it should be suggested. I would like to leave that recommendation with the Department, sir.

The Chairman: Thank you, Mr. Cullen. Mr. Southam?

Mr. Southam: Thank you, Mr. Chairman. My question will be brief. I think I will revert from the discussions on Indians now back to Eskimos again. I was a member of the standing committee two years ago and I think there are several other members on the Committee here who will bear me out on this. In our tour across the north we were interested in some of the problems that Eskimos presented to our Committee as we heard evidence all the way from Frobisher Bay over to Inuvik, that new modern community in the north.

One of the things that was repeated as far as these briefs are concerned, and it worried me, and my question is going to be based on this; was the fact that because of our English exposure to Eskimos through the development of the DEW line and our defences and our further development up there, we were setting up schools for the young Eskimos, taking them for maybe eight, nine, 10 month periods out of their homes and villages. I am thinking here again of the big residential school in Inuvik, and then sending them back to their homes for a two month period. There seemed to a sociological gap or breakdown in family relationships and the briefs that we heard, and I think our Chairman can bear me out on this, were from a number of them which included representations from adult Eskimos who claimed that they were left behind and they were advocating the adult training for Eskimos to keep that gap as narrow as possible so that after several years of education by the younger Eskimos that there would not be that breakdown in family relationships.

It seemed to be quite a serious situation in the minds of quite a few of our senior Eskimos. I would just like to ask the officials what cognizance has been taken of this suggestion by the Eskimos for adult training? If any action has been taken, if there is a program, what has been done along this line?

Mr. MacDonald: Mr. Chairman, I would like to ask Mr. Simpson, the Assistant Director of Education, who has been responsible and who is responsible for the northern educational system to comment on that.

Mr. D. W. Simpson (Assistant Director, Education Branch, Department of Indian Affairs and Northern Development): Yes. The question as I understand it, your chief concern is with regard to the adult training and not so much with the question of the pupil goings away to school although we have made a great impact on this problem as well by placing schools in the smaller settlements from the grade one to eight level which is mainly the years six to 14.

As well as this the housing program with the housing education program to support it, has reached the adult population and it is showing very encouraging results. This is in the two-year period since you toured the North. I remember very well when that group went.

• 1045

So much so, that we have had an astounding increase in the enrolment in our schools at the local level because we are getting a very very large percentage of our children going to local schools and a very small percentage of the younger children going to residential schools although some still have to go to the residences because they are living in such isolated conditions that there is no possibility of placing a local school within reach of their homes. So these are progressing very favourably and we are very encouraged.

As far as the adult education program is concerned in this past two years, I think it is the first two-year period in which we have been able to feel that we have made any dent on the problem. We now have adult education staff on the ground in the Arctic district in the Eastern Arctic and in the Mackenzie as well at regional headquarters and programs are being evolved to meet this need.

We still have a long, long way to go and I am not trying to create the impression that we have solved it by any means but I think we are on the way.

The Housing Education Program, I think, was one of the best things that has happened in the North in many years. Before the houses went in the people were given a program to orient them to what tenancy of a house meant, what house ownership meant and a housing association, composed of Eskimos, was set up.

Along with that, this educational program sent women into the settlements to orient the new families moving into the house and into the houses to explain the problems connected with moving from perhaps a tent or an igloo or a tar paper shack into a reasonably modern house and how to look after it both from the standpoint of routines, of cleanliness, of sanitation and of health practices. These women lived amongst the Eskimo population for a period of about six months to a year in these settlements demonstrating and talking with the ladies in small groups and individually.

We are noticing a tremendous difference in the attitude both to school, to the homes and the way they are kept. I believe groups have toured the North in the past year and have commented favourably on what is happening. It is too early to judge the full results of this program but I think it does have a great deal of promise.

The Chairman: Thank you, Mr. Simpson. Mr. Southam, we are really caught here for time. We would like to open up the manpower area. I wonder if Mr. Borrie and Mr. Simpson who both indicated they have questions could limit their questions to...

Mr. Southam: I would just like to thank this gentleman—your name is Mr. Simpson? —for his optimistic report. I am glad to hear this and you say it is relatively early yet but I am sure that from what you have indicated this program will bear fruit and we can carry on from there.

The Chairman: All right. Mr. Borrie.

Mr. Borrie: Mr. Chairman, this can probably be answered quite quickly and that is that in the budget when monies have not been used completely, say for vocational training, is there a possibility that funds can be transferred from that account into, say, an adult educational account?

Mr. MacDonald: Yes.

Mr. Borrie: It can.

Mr. MacDonald: Yes.

Mr. Borrie: It can transfer within the Department?

Mr. MacDonald: Oh, yes. The only restriction is that we cannot transfer between votes.

Mr. Borrie: I see, yes. The second question that I have was—maybe it would be better to handle it this way that is, if we could get more of a rundown of the facilities that are available to the Indian children when they are attending public schools such as lunches, text books and this type of thing. If we can have this for the next meeting.

I have a reason for pursuing that line. You may be aware of it and again you may not be. That is all I have on this part on education.

Mr. Simpson: I will be very brief. I had a number of questions to ask on this subject. However, there are one or two things I just want for clarification. In Mr. MacDonald's statement, did you mention, Mr. MacDonald, something like 9,000 adults from the Northwest Territories taking adult education?

Mr. MacDonald: That was south of 60 degrees, of course, that number.

The Chairman: That is in Canada?

Mr. MacDonald: In Canada.

Mr. Simpson: I thought you were talking about the Northwest Territories and I am trying to find that 9,000 adults in the Territories.

Mr. MacDonald: That is—you are getting close to the population—

• 1050

Mr. Simpson: Also at Fort Rae and Fort Simpson you mentioned the average income $275 at Fort Rae, $800 and something at Fort Simpson. Is that per capita or is this an average income of the working people there, or is it the per capita figure? The per capita figure does not—

Mr. R. F. Battle (Assistant Deputy Minister (Social Affairs), Department of Indian Affairs and Northern Development): It would be a per capita.

Mr. Simpson: We have that population to deal with that—

Mr. Battle: With an average family of six, for example, it would be $1,500 roughly.

Mr. Simpson: I am wondering because Mr. MacDonald did mention that in relation to Fort Simpson that 74 per cent of that was earned so the balance must have been in welfare and I am wondering or trying to figure some way to break that down.

Mr. MacDonald: We can give you a breakdown of that, if you like.

Mr. Simpson: Very good.

Mr. MacDonald: We will take that particular area and give you all the component parts.

Mr. Simpson: One other thing, you mentioned 225, as I understood it, Indian and Eskimo people in universities, nurses in training and one other vocation. Could we get a figure on how many of those people are actually in universities?

Mr. MacDonald: Yes.

Mr. Simpson: This is something that has not been brought up. I will be very brief on it. I think I would like you to look into it and you may have the answer.

It was brought to my attention a few days ago, at least 10 days ago or more by two different groups of people of starvation among the Indians at Hearst, Ontario, I contacted the Minister on this. I have not received a reply as yet and I am not criticizing him for that but I would like you to look into it for our next meeting and I might say that I have heard these charges before.

They always have to be looked into because they are very important but I can go back to years ago when they charged that there were starving Indians at Nelson House in Manitoba, something which was not quite correct as reported by the newspapers but I would like to find out about this situation at Hearst, Ontario, before our next meeting.

In conclusion I would like to say that after a very informative meeting yesterday I noticed from the only press report I saw of it was that the Minister had charged the provinces with discrimination against the Indian people of Canada for the lack of roads. I think if that was the only thing that came out of our meeting yesterday, I do not think we are getting the right kind of publicity on this hearing whatsoever.

The Chairman: Mr. Simpson, thank you. I have been requested by Mr. Battle to allow him to make a brief statement on the Indian move mentioned by Mr. Durante. Mr. Battle?

Mr. Battle: I will be very brief, Mr. Chairman. First of all, on a happier note, with regard to children from outside of the reserves attending schools on the reserves. There are several instances of this already where a new school is being built and a school is being built on the reserve and children are coming from the non-Indian community into the Indian community. There are already I think some very fine examples of this. It is at least a start in the right direction.

On the matter of relocating or moving Indian people without their consent, I can assure you that there is a very very specific instruction to all of our staff, everywhere in Canada, that nobody is to be moved without their consent.

There are, of course, economic and social factors that bear heavily upon this. There are economic pressures which tend to induce people to move. Where this happens we come in and try to make it easier for them to move but if somebody is moving any Indian person without their consent then he is contravening instructions. I just want to make that point clear.

The Chairman: Thank you Mr. Battle.

Mr. Cullen: Excuse me, a supplementary. I wonder if I could get a list of the places where the schools are on the reserve where the children are actually going on to the reserve to attend school?

Mr. MacDonald: Yes.

Mr. Cullen: Thank you.

• 1055

The Chairman: I would now like to call Mr. J. P. Francis, Assistant Deputy Minister (Manpower), Department of Manpower and Immigration and since we are very limited as far as time now, I am going to ask a few questions myself to open up the questioning and perhaps you will have a chance to answer a few of these now.

I would like to know, Mr. Francis, what the Department of Manpower and Immigration (Manpower) is doing specifically to assist the participation or the fuller participation in our labour force of Indian and Eskimo people.

I want to know whether you have any, for purposes of your own statistics, whether you separate Indians and Eskimos from other Canadians.

I would like to know, if such is the case, whether you are able to tell us how many Indians and Eskimos your Department has placed in employment across Canada.

I would like to know what sort of co-operation and collaboration exists between your Department and the Department of Indian Affairs and Northern Development and also whether there is any consultation and collaboration between your Department and the various provincial labour departments as far as employment of Indians and Eskimos are concerned and I would like to know whether you are doing anything to encourage industry based in the North to hire Indians and Eskimos.

Obviously you cannot answer all of this, right now but if you could start and I am sure that my questions will open up questioning in related areas.

Mr. J. P. Francis (Assistant Deputy Minister (Manpower), Department of Manpower and Immigration): Mr. Chairman, perhaps I can start, as you suggest, by picking on your particular point about whether or not we keep separate statistics or information about the services or the activities that we extend to Indians and Eskimos and others of native ancestry and the answer to that is, no, we do not keep separate pieces of information along those lines. We try, however, to watch those particular projects or services that we know are being extended into areas or to groups of people which involve a large or a substantial proportion of individuals of native ancestry so in this more indirect way we feel we can keep some track of what we are doing in relation to the native population.

Of course, what we want to do is to extend all of the services that we offer—services of counselling, employment counselling, of job placement, of training, of mobility and of information on job opportunities—to extend those services to every Canadian.

One, has to do this within the limits of the resources we have available. This is, of course, true of everybody. We are trying, however, to achieve this kind of an objective in relation to people of native ancestry in a number of different ways. We work very closely with the Department of Indian Affairs and Northern Development.

We meet with them at the head office level, at the regional level and at the local level frequently. We work with them jointly on a large and increasing number of projects. The Deputy Minister of that Department has already referred to a number of those.

We are trying to encourage employers in a variety of ways to make greater use of the people living in the areas where their activities take place. One of the most important ways is through our training programs and these, of course, are programs, where we make contractual arrangements with the employer and reimburse the employer in respect of expenditures incurred. We also try to do this by extending our manpower counselling services to the employers by liaising with the employers and bringing to his attention the availability of people in the area in which he is operating or in the area in which he wishes to operate.

The Deputy Minister of the Department of Indian Affairs and Northern Development referred to the pilot relocation projects, these experimental projects in which we are trying to find with that Department the best ways of moving Indians to job opportunities in other communities where these exist. We work closely with the Department of Indian Affairs and Northern Development on this, we put into the areas into which these people are coming special co-ordinators in addition

to the normal staff and services that would be there.

In one of our regions, the Prairie region, we have a senior officer at the regional headquarters level who is an Indian and who is charged with examining and helping us to find the best ways of making our services effective to the native population. That is his specific responsibility and he is making, I believe, considerable progress on this.

• 1100

I could go into, if you wish, Mr. Chairman, quite a lot of detail about specific projects, specific training projects and other sorts of activities. Perhaps, though, you would prefer to hold that over until your next meeting.

The Chairman: Yes. I am afraid we are forced to do that now, Mr. Francis. If you could give us an idea, perhaps, of how many such training projects are in operation now and what sort of an increase you forecast and also if you could supply us with any statistics as to how many people you have helped—how many Indians you helped?

Mr. Francis: I will be glad to do that.

The Chairman: Thank you very much, Mr. Francis. Can we have a motion for adjournment? Mr. Cullen, moves we adjourn. Agreed.

The Committee is adjourned.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, DECEMBER 3, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. R. F. Davey, Director, Education Branch (Social Affairs); Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29401—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,	Gundlock,	Nielsen,
Borrie,	Howard (*Skeena*),	O'Connell,
Buchanan,	Laprise,	[2]Orlikow,
Cullen,	[1]Lessard	Simpson,
Dinsdale,	(*Lac-Saint-Jean*),	Smerchanski,
Duquet,	Marchand (*Kamloops-*	Southam,
Forget,	*Cariboo*),	Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1]Replaced Mr. St. Pierre on December 2, 1968.
[2]Replaced Mr. Thomson (*Battleford-Kindersley*) on December 2, 1968.

ORDER OF REFERENCE

MONDAY, December 2, 1968.

Ordered,—That the names of Messrs. Lessard (*Lac-Saint-Jean*) and Orlikow be substituted for those of Messrs. St. Pierre and Thomson (*Battleford-Kindersley*) on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29401—1½

(*Text*)

MINUTES OF PROCEEDINGS

TUESDAY, December 3, 1968.
(8)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.15 o'clock a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Duquet, Durante, Howard (*Skeena*), Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Smerchanski, Southam, Watson, Yewchuk—(14).

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); R. F. Davey, Director, Education Branch (Social Affairs); G. J. Bowen, A/Director, Engineering Services; I. S. Harlock, Chief, Development & Training, Office of the Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development); Messrs. D. W. Simpson, Assistant Director, Education Branch (Social Affairs); K. Bowles, Education Branch (Social Affairs); O. M. Zakreski, Superintendent, Vocational Training & Special Services, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Messrs. J. P. Francis, Assistant Deputy Minister (Manpower); John Meyer, Assistant Director, Programs Branch. *From the National Indian Brotherhood:* Messrs. Walter Deiter, President; Deliat Opekeken; Stan Daniel; Harold Sappier; Chief John L. George; Wilf Belgard; Chief Lawrence Stevenson; Lawrence Wethead; Mr. Beaulieu and Mr. M. Charlie. *From the University of Saskatchewan:* Reverend Father André Reneault.

The Chairman introduced a delegation from the National Indian Brotherhood and gave a resumé of the functions of the Committee and said that the Committee would probably be asked to revise the Indian Act in the near future.

The following Members were asked to say a few words of welcome to the Indian delegation, on behalf of their respective Parties.

Mr. Robert Simpson, M.P., for the P.C.'s,

Mr. Gérard Laprise, M.P., for the R.Cr.,

Mr. Len Marchand, M.P., for the Lib's.

Mr. Deiter, President of the National Indian Brotherhood and Mr. Daniel, President of the Metis Association of Alberta respectively, addressed the Committee.

Mr. MacDonald answered a previous question asked by Mr. Durante, relating to the relocation and amalgamation of Indians (*See evidence*).

The Chairman informed the Committee that Mr. MacDonald would table the answers to questions asked at previous meetings.

It was agreed:—That the answers tabled be appended to this day's evidence (*See Appendix I*).

The Chairman called Item 5, Indian Affairs Administration, of the Revised Main Estimates 1968-69, and the Committee proceeded to the questioning of the witnesses.

Mr. Francis answered questions that were asked at the last meeting, in regard to the collaboration between Indian Affairs and Manpower.

Mr. Beaulieu, Chairman of the Manitoba Indian Brotherhood and Mr. Charlie, of the Yukon Brotherhood were invited to make statements.

At 1:10 o'clock p.m., the examination of the witnesses continuing, the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, December 3, 1968

• 0946

The Chairman: Gentlemen, I call the meeting to order. With your permission, gentlemen, before the regular meeting starts, we would like to have the Committee's approval for an appearance before us this morning of a group of Indian people who are presently in Ottawa attending the National Indian Brotherhood of Canada meeting. With the unanimous consent of the Committee, we will introduce to the Committee the guests who are with us this morning from the National Indian Brotherhood. Do we have that unanimous consent? Agreed.

Agreed.

Gentlemen, it gives me a great deal of pleasure to introduce to you first Mr. Walter Dieter, president of the National Indian Brotherhood. Mr. Dieter is largely responsible for setting up the National Indian Brotherhood. I believe this meeting in Ottawa is the fourth you have had since your founding and the first at which you have had representation from all the provinces and the territories of Canada, and we are very happy to have you here this morning, Mr. Dieter.

The secretary of the National Indian Brotherhood, Delia Opekokew from Saskatchewan is with us also and we are most happy to have you with us, Miss Opekokew. We have Stan Daniels, President of the Metis Association of Alberta. Welcome, Mr. Daniels. Mr. Harold Sappier, head of the New Brunswick Indian Association is with us. Chief John L. George of the Burrard Indian Band; Wilf Balgard, community development worker is with us; and Chief Lawrence Stevenson of the Pasqua Reserve who is an executive of the Federation of Saskatchewan Indians is also with us and we are happy to have you, sir.

Perhaps for the information of the guests this morning, I should explain some of the things this Committee will be doing in the next few months. At the moment we are studying the Estimates of the Department of Indian Affairs and Northern Development. These Estimates we are presently studying cover money that is pretty well spent. Members of the Committee regard the study of these Estimates as an opportunity to look at Government policy and to make suggestions for future Government policy rather than strictly a study of dollars and cents that have been spent.

In the next few months we will be looking at the Indian Claims Commission Bill. This bill will be referred to us by the Government when it is introduced into the House of Commons and subsequent to that it is hoped next spring the revisions to the Indian Act will be presented to this Committee and the Committee will be looking at it and will be consulting with the Indian people across Canada as to the changes which will be suggested by the Government. So, this particular Committee has a fairly busy schedule ahead of it over the next few months, and over the next year, I am certain.

• 0950

The experience so far in the Committee has made me very confident that we have a group of people here who are most interested in the future of the Indian people of Canada and we are most sympathetic to the aspirations of our Indian and Eskimo people.

I would like to call upon Mr. Simpson who is the representative of the Conservative Caucus, a specialized group on Indian Affairs, and who is a member of this Committee, to say a few words on behalf of his Party this morning. Mr. Simpson.

Mr. Simpson: Mr. Chairman, Members of the Committee, ladies and gentlemen, on behalf of the members of the Progressive Conservative Party and of this committee I would like to say that we are more than pleased that you people have had the opportunity of visiting with our Committee today and hope that you will have the opportunity to stay here for quite a bit of the Committee meeting because I think you will find it quite interesting. We in the Progressive Conservative Party, as our Chairman said, have a caucus committee on Indian Affairs and

Northern Development comprising about 14 of our members coming from all parts of Canada. The particular area that I represent in Manitoba has quite a number of our native people living in it. We have 26 in the reservation and a great number of Metis people. We find this a very interesting Committee and I think all of the Members will agree with me when I say that Committee work in Parliament is extremely important but one of the difficult parts is that time is quite limited on Committee work in view of the other duties which your representatives in Parliament have to take care of during the session of Parliament in Ottawa. We of this Committee meet about twice a week and more often if possible. Time is an element and it is difficult to get at all the problems, but the Committee Members try to pose questions to the officials of the Indian Affairs branch on any subject coming under the Estimates which we are dealing with at this time and, if we cannot get the answers, it is not their fault because we do have an opportunity when time permits to question them at length. Thank you very much.

The Chairman: Mr. Laprise of the Créditiste Party will say a few words on behalf of his Party.

[*Interpretation*]

Mr. Laprise: Thank you, Mr. Chairman. I will just say a few words, because I am afraid that, speaking French, I may not be well understood by this delegation. In any case, I welcome them to this Committee. I can assure them that any thing they have to tell us will be listened to with open-mindedness. We shall carefully study their problems. Anything new they want to suggest to us will be studied very carefully. In so far as I am concerned, I can assure these people, and the Committee, of my entire ccoperation.

The Chairman: Thank you, Mr. Laprise.

[*English*]

• 0955

The Chairman: I think it would be entirely fitting if I called on our first Indian Member of Parliament, Mr. Len Marchand, to say a few words of welcome.

Mr. Marchand (Kamloops-Cariboo): Thank you very much, Mr. Chairman. First of all I would like to introduce some of the other members of the delegation. Mr. Simone Michael, the first elected Eskimo member of the Northwest Territories Council, is here and is also attending the Human Rights meetings. He will also be staying, I believe, for the National Indian Brotherhood meetings. Also Mr. Charlie of the Yukon; and one of my fellow countrymen Mr. Adam Eneas, an Okanagan from Penticton. I was just thinking maybe Adam and I should have a little conversation in Okanagan.

I would just like to add a word of welcome. I extended a word of welcome to the fellows the other night but officially I would like to extend a welcome again on behalf of my colleagues in the Committee. We have one of the best groups that I have seen working in a committee. As you know, the concern of all Members of Parliament, of all Canadians, toward the Indian cause has never been greater and we are hoping as a Committee to get down to really learning about a lot of the things that are confronting the Indian people in their communities. We are hoping to travel as a Committee to all parts of the country, particularly when the two Bills, the Indian Claims Bill and the Bill with the amendments to the Indian Act, are referred to us for study. Members of the Committee want to see first-hand the conditions in the Indian communities and really be able to know what people are talking about when they say there is a housing problem and a development problem, and really bring this whole thing into better focus and give it the attention that the Canadian people, all Members of Parliament and all Parties want the Government to give to this problem. Before I start making a speech, I would like to conclude by again saying "Welcome".

The Chairman: Than you, Mr. Marchand. One further guest I would like to welcome is Father André Renaud, who is Professor at the University of Saskatchewan.

I would now like to call upon Walter Dieter to say a few words to us, if he would.

Mr. Walter Dieter (President, National Indian Brotherhood of Canada): I do not know just how to address you, but I will say ladies and gentlemen, we are not here to commit ourselves to anything. We are very happy to have the opportunity to meet you. We have many great plans amongst ourselves and many great suggestions. But like all true parliamentarians, we have to argue these things

out. Our meeting has not officially been on as far as the National Indian Brotherhood is concerned, and we have quite a lot of work to do in setting up this organization. We have had four meetings. We were first formed in February last year and the movement has gained in every meeting that we have had. We have a written constitution. Everybody has not sat down and chewed the rag about it yet but we are progressing in such a way that I did not think it possible to have an organization this fast.

• 1000

I would like to say that many of the people have many problems they would like to bring to the House of Commons. I think the little problems usually become bigger problems, and from these problems we can see where we are short on administration.

Then, I do not like to commit myself or any of the members of the organization and we discussed this and I thought it would be a good idea if we could just come and say hello and meet the members of this committee personally and more or less find out what we are dealing with. We are a quite suspicious lot and I think justly so. We lack in communication across the country and right down to the reserve level, and these are the things that we want to improve. So with that I think I will turn back to the Chair. Thank you.

The Chairman: Could the members acquiesce in Mr. Dieter's wish to meet each of you. Perhaps each member should stand and introduce himself, telling which part of the country he is from. I wonder if we could start with Mr. Marchand and work around, perhaps telling them what section of Canada you are from.

Len Marchand, Kamloops-Cariboo.

Martin O'Connell, from a suburb of Toronto, Scarborough East.

Robert Simpson, Churchill, Manitoba.

Gérard Laprise, Abitibi, Québec.

Paul Yewchuk, Athabasca, Alberta.

Mark Smerchanski, Provencher, Manitoba.

Jack Cullen, Sarnia riding. I also lived most of my life in Sudbury, and I know the problems up there. And I was in Mr. Simpson's area in Churchill and in the Northwest Territories for a couple of years getting my education in law. So you have some representation from various parts of the country in one member and we want to hear your problems.

Richard Durante, Comox-Alberni.

Robert Borrie, Prince George-Peace River, British Columbia, without a commercial.

Ian Watson from Laprairie otherwise known as Caughnawaga.

The Chairman: Mr. Dieter, did you want to have anyone else from your group say a few words this morning? If so, we will hear from him; otherwise we will proceed with our regular order of business. Mr. Daniels.

• 1005

Mr. Stan Daniels (President, Metis Association of Alberta): Mr. Chairman, honourable members, ladies and gentlemen, first I would like to say that it is a pleasure to be back. I was before this Committee approximately two years ago and I was very pleased with it then, but we have advanced in two years, I am sure.

A statement was made by our Prime Minister just recently about his concern for the Metis people in Canada, and a follow-up on it was made by the Association from Alberta. We are here and the provincial leaders are here to negotiate with the various departments of governments to try to gain some recognition for the Metis people. It is a known fact that there are certain areas where the Metis or non-registered Indians are in the same conditions as the treaty people, or, as a matter of fact, maybe worse.

As we all know, the last time the Metis tried to negotiate with government was approximately 83 years ago, and we did not get very good treatment then. So an attempt is timely, I think, to renegotiate and to open dialogue to try to have a line of communication with our government. We have taken it upon ourselves to meet some members of this Committee and to try to possibly expand the Committee to include the Metis people. For example, in the Province of Manitoba there may be 100,000; yet we are not too sure. Maybe 35,000 or 40,000 are in the rural areas with the rest of the more unfortunate. So the national leader of the Metis people, the Reverend Adam Cuthand, was chosen to negotiate with you, Mr. Chairman, in the hope of finding an all acceptable vehicle as a starting point, and to assist us and we in turn, hopefully, to assist you for a better government. So thank you, gentlemen, for this opportunity.

The Chairman: Thank you very much, Mr. Daniels.

Gentlemen, I would like to introduce to you one other member of our Committee who has arrived, the Honourable Walter Dinsdale, former Minister of Indian Affairs. Mr. Dinsdale.

Mr. Dinsdale: Not quite, Mr. Chairman—former Minister of Northern Affairs and National Resources—before we had the Indians as our responsibility. But we see a lot of good friends here this morning.

The Chairman: Gentlemen, we will now proceed to the regular order of business and again I would like to say on behalf of all the Committee that we look forward to working with our guests over the next few months and perhaps over the next year, as we will consult with the Indian people across Canada on the Indian Claims Commission Act and on the revisions to the Indian Act itself.

The first order of business this morning concerns a question which was raised at the last meeting and for which we have had an answer supplied by the Department. It concerns a question which was asked by Mr. Durante relating to the relocation of the Tsulquate Indian Reserve No. 4. I will call on Mr. MacDonald, who has the departmental answer to that question.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. Members will recall that a matter of some concern was the suggestion that the relocation had been done against the will of the members of the band or forcibly. I undertook to look into this immediately and I now have a report to give to the Committee.

The Department received representations about the situation of the people living on three reserves, Quaushelah, Nakwakto, and Kwawkewlth Bands back in 1962, largely related to their isolated condition and the absence of amenities and medical facilities and employment opportunities. The matter was put to the bands in question and they voted independently in May, 1964.

• 1010

The voters' list for the Quawshelah Band contained 37 eligible voters. Of this number five were absent and the remaining 32 voted in favour of amalgamation and relocation.

The voters' list for the Nakwakto Band contained the names of 17 eligible voters. Of these, 2 were absent and the remaining 15 voted in favour of amalgamation and relocation.

The voters' list for the Kwawkewlth Band contained the names of 29 eligible voters; of these 7 were absent and the remaining 22 voted in favour.

The people of the Quawshelah Band and Nakwakto Band were located in isolated areas where water supplies were inadequate. In addition, medical attention was not readily accessible and it was difficult to provide educational facilities. These two bands agreed to amalgamate with the Kwawkewlth Band in order to relocate to the Tsulquate Reserve No. 4 where water, medical assistance and school facilities were available. Tsulquate is near the non-indian community of Port Hardy, where employment opportunities are greater. The physical relocation took place in 1964. All of the Indians concerned were consulted and agreed to the amalgamation. No force or coercion was used to bring about this move.

Housing at Tsulquate is of recent construction and is in good condition. There are at present 23 houses on the reserve and they vary in size from 600 to 960 square feet. The average is 760 square feet. There is a shortage of housing at the present time, as there is on other reserves, and which the housing program is designed to overcome. Two new houses are being erected this fiscal year which will be completed by March 31, 1969, and two more are planned for next year. The commencement of the sewage system is planned for 1970 with $100,000 budgeted for the fiscal year 1970-71, $30,000 for 1971-72 and $8,000 for each of the next three years.

That is the situation, Mr. Chairman, with respect to that particular point. I should add that at Committee meetings on November 19, 28 and 29, members asked for information on a number of matters concerned with the Indian program. A lot of this information is tabular and statistical. If the Committee is agreeable, rather than read it I will hand it to the Clerk for tabling so that it will be available. With respect to those members who asked these questions, we have copies for them. We do not have enough copies for the whole Committee but if they want them before printing, we have them here as well.

The Chairman: Do members agree?

Agreed.

The Chairman: Thank you, Mr. MacDonald.

Mr. Cullen: Mr. Chairman, will additional copies be made available to all members?

The Chairman: This information will be included in the minutes of this meeting.

Mr. Cullen: Thank you.

The Chairman: This morning you have just heard Mr. J. A. MacDonald, Deputy Minister. The other witnesses we have with us are Mr. R. F. Battle, Assistant Deputy Minister, Social Affairs; Mr. R. F. Davey, Director of Education Branch, Social Affairs; Mr. I. S. Harlock, Chief, Development and Training, Office of the Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch; Mr. D. W. Simpson, Assistant Director, Education Branch; Mr. K. Bowles, Education Branch; and Mr. O. N. Zakreski, Superintendent, Vocational Training and Special Services, Education Branch. And we have with us, too, Mr. Francis who is the Assistant Deputy Minister in the Department of Manpower and Immigration. He is here to inform us concerning the Manpower program and how it relates to hiring of Indian people and the type of collaboration which exists between his Department and the Department of Indian Affairs.

• 1015

I would just like to remind members that when the steering committee met a few days ago, to prepare the agenda for the rest of the session, we laid down some ground rules which I thought had been explained to the Committee. However, to remind you, these ground rules are that we will be considering today specifically the Indian job situation in Canada; the vocational training available to Indians in Canada, and the other aspects directly related to employment of Indians in Canada. This is a particularly serious problem and it was felt by your steering committee that the Committee, if it hopes to do any detailed work, must deal with one subject and do it as thoroughly as it possibly can. This subject was chosen because we felt it the most important in Canada and, therefore, I would as members of the Committee to stick to this single topic.

Last session, if you remember, we got on tc education generally and wandered away from the employment aspect of education. Mr. Durante, you have indicated you have a question.

Mr. Durante: Yes, Mr. Chairman. Mr. MacDonald, the amalgamation of the bands you have referred to and their relocation on the Tsulquate Reserve in Port Hardy I would have to agree with in principle. However, there were one or two points in my allegations raised at the last Committee meeting which you have failed to qualify this morning, probably unintentionally. Is it customary policy for the Department of Indian Affairs to burn down the homes of those Indians who are being relocated?

Mr. R. F. Battle (Assistant Deputy Minister, Social Affairs, Department of Indian Affairs and Northern Development): It is not customary policy to burn down homes. When new houses are being constructed in a community, there is a desire on the part of all the people who are connected with this to bring about some improvement in the appearance of the community. Some of the houses that are vacated are obviously very poor houses, and in order to clean up the community and give it the kind of appearance it ought to have, this kind of thing is discussed with the Council and some procedures established in order to do this. Sometimes this involves burning down houses, or tearing down houses.

Mr. Durante: Mr. Chairman, I will endeavour to keep my questions in relation to the topic. The two bands that I am familiar with, namely those from Blunden Harbour and Smith Inlet, were relocated in Port Hardy where it was suggested that medical and employment opportunities were far superior. Are you aware that Port Hardy does not even have a hospital?

Mr. Battle: No, I am not.

Mr. Durante: Port Hardy does not have a hospital. It has a resident doctor who may be leaving in the very near future. They have a bit of a clinic which I understand is very inadequate; certainly the residents of Port Hardy feel it is very inadequate, and they are now in the process of negotiating with the Provincial Government. The point is that the medical facilities where these bands have been relocated are not nearly as good as they are in many other areas where they probably could have been relocated. Also I understand that the employment situation in Port Hardy is not so attractive.

Utah Construction And Mining Company may well be coming out with a large expansion but at the present time this has not yet occurred. What members of those bands that we relocated are now employed?

• 1020

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Durante, I will comment in order. One has to talk in terms of relative availabilities. The point we wanted to stress was that the inaccessibility and the absence of almost any medical facilities was a very important factor. They may not be all that is desired in Port Hardy but they are, I understand, infinitely better than they were.

With respect to where they might be relocated, this is a matter which the Indian people themselves had to decide. This was a question of amalgamating with another band, and I think that was an important consideration.

We are informed that there are employment opportunities in Port Hardy. The second matter, of course, is whether or not people take advantage of the employment opportunities. There are a great number of sociological considerations which enter into that, namely, the whole past history of conditioning. This, of course, is where both our own programs and those of the Department of Manpower endeavour to work when trying to recover from in effect the terrible losses of many years of neglect. I cannot pretend that miracles occur overnight. It is a very difficult problem.

Mr. Durante: Mr. Chairman, may I be permitted one final question? I expect that when the Department instigates or suggests the relocation of various bands, that the people concerned are just that—concerned about relocation, because after all they are being removed from a place they have been calling home to a new situation. And as I indicated earlier, I agree with this principle wherever it is imperative or necessary.

I understand, Sir, and correct me if I am wrong, that there were certain conditions presented to the people here who initially had to be convinced that relocation was the solution to many of their problems, such as isolation and deprivation and so on. I understand these conditions have not yet been met. Were conditions given these people prior to their relocation? If so, what were they and how many of these conditions have been met and how many have not been met?

Mr. Battle: I am not aware of the fact that there were a number of conditions that were discussed at the time, except for one relating to improved services: improved medical services, improved educational services, and improved housing. We quite readily recognize that there is a long way to go yet before there is the kind of improvement in housing that is needed in this community. We recognize this, and this is really part of the plans.

Mr. Durante: But, sir, two of the things that you have outlined really have nothing to do with the Department of Indian Affairs or the amount that is presented in the estimates for the relocation of these people. Medical services is provincial, education is provincial, and so what it boils down to is housing, which is most inadequate when you have an average of 10 people living in each home. I cannot see the problem being resolved if we are going to build two additional homes this year. When there are 223 people living on that particular reservation just how much do we reduce the average? Further, there are only two additional homes projected for the following year. Is there nothing we can do to make the housing situation far superior to what it presently is? It is most inadequate: there are no plumbing facilities, there is no hot water, there is no sewage, and I suspect that the health conditions on that particular reservation right now are far below the standards you would like to have.

Mr. MacDonald: Mr. Chairman, Mr. Durante, I think we would agree with you but I would like to go back to my earlier remarks. This relocation was not instigated by the Department but was the result of representations to the Department by Indian leaders themselves who were concerned about conditions in these isolated areas. The housing was adequate, but as in all instances, it soon becomes inadequate due to growth in population. We are spending every dollar available to us for housing. We naturally could use a great deal more. There are other areas where the housing is in dreadful condition, and this, of course, is what the housing program is all about. We have almost a "seven loaves and fishes" problem trying to allocate

these over the needs. We agree it is one of the most urgent needs we face in the Indian program.

• 1025

With respect to the water and sewage, I referred earlier to the sewage system as planned for 1970 at a cost of $100,000 with subsequent amounts in the following years. We agree that housing is a critical and urgent matter.

Mr. Durante: Well, Mr. Chairman, I have taken up enough of the Committee's time. Thank you very much.

Mr. Simpson: Mr. Chairman, a supplementary on that particular matter that Mr. Durante was inquiring about. In view of the planned movement, of necessity I would assume, of the people in Manitoba, at South Indian Lake, resulting from flooding conditions which will, I understand, come about from the control dams on the Churchill River, what plans have the Department at this particular time in relation to the movement of these people? I would also, as I have on other occasions, ask that consideration be given to providing legal counsel of their choice for these people. In view of the situations that have come up in the past, and I am particularly thinking of Easterville now, I would also ask that consideration be given to the provision of adequate technical assistance to these people from such people as town planners, so that they would know. I admit that the Branch does not plan to make any of these moves without consultation and the opportunity for full consultation of all kinds should be given. However, due to the fact that some of the people at Easterville are not too happy with that move, I say, so that we can avoid any feelings like this in the future, that every effort be made to provide the people of South Indian Lake, the members of the Nelson House Band with adequate legal counsel of their choice, and adequate assistance by town planners before they decide where they are going.

Mr. Battle: Mr. Simpson, I am not completely familiar with the current situation at South Indian Lake. I do not know that our officials in Manitoba and the Manitoba officials, the Hydro people, the community development people in Manitoba have been working on this. They are familiar with some of the very serious difficulties that arose with respect to the move of the people at Easterville. As I understand it, the major concern at the present time is to see that the people who will be affected by this flooding, will be able to find employment and be able to have houses and live in decent conditions, and that there will be economic opportunities for them. This is the objective. The people themselves are being involved in this planning. I cannot say specifically right at this moment where it is. Certainly we have behind us the experience of Easterville, if, in fact, it is behind us. There are still many problems to be solved at Easterville, I understand, despite the fact that at that time every possible effort was made on the part of everyone to make the relocation as least dramatic as possible. Any kind of relocation from one locality to another creates serious problems for the people involved. We are hopeful that many of these problems can be minimized.

•1030

With respect to the idea that there ought to be legal advice for these people, I understand they have also been considering this. I do not know what the decision has been, but I would be happy to look into it and let you know what the decision is.

Mr. Simpson: Very good, thank you.

The Chairman: Gentlemen, at the last meeting Mr. Francis of the Manpower branch was asked a number of questions. I believe that he has some further answers to give. Mr. Howard did you indicate that you want to ask a question?

Mr. Howard (Skeena): Just a very brief reference to a previous meeting and relating to the housing situation, Mr. Chairman. I had asked for a detailed breakdown of the housing program in terms of types of houses available, payments and interest money available, time, and the whole structure of the housing program, particularly because a lot of native people do not have the foggiest idea what the plan is. I raise that to see if that information is available.

Mr. MacDonald. We tabled a number of answers this morning, Mr. Howard; we will have the balance within a week.

Mr. Howard: I see; is it tabled here? Could they be made, or have they already been made an appendix to the proceedings?

The Chairman: Yes, they have been.

Mr. MacDonald: The housing material will be ready within a week.

The Chairman: Mr. Francis, we asked you, among other things, what sort of collaboration there was between your Department and the Department of Indian Affairs, as far as employment of Indian people is concerned, and the type of incentives you people were supplying to private industry for encouraging Indian employment in the North and elsewhere in Canada. Could you expand on your remarks which were cut short by the adjournment?

Mr. J. P. Francis (Assistant Deputy Minister (Manpower) Department of Manpower and Immigration): Mr. Chairman, I made some brief general remarks in reply to your question at the end of last session and perhaps I could give you a little more information in somewhat greater detail about the types of things that we are doing relating to people of native ancestry through the Canada Manpower centres.

Perhaps I could preface my remarks by saying that the policy we try to follow in respect to hiring and employment is to encourage companies in their new developments, or in their expansion of existing activities, to provide jobs and to hire people who live in the community, or the area in which such projects take place. We found that one of the best ways of encouraging employers to do this, that is, to hire for their projects the people who live in the district concerned, is to consult with them as early as possible and to arrange with them any needed training programs which might help the people available in that community to perform satisfactorily in a job that will be made available by their development. To that end, one of our most important types of manpower services is a training service. It is a service, not where we do the training, but where we buy the training on behalf of the people. We buy the training principally from the provincial governments, and through them from local training authorities.

It is not possible, as I indicated in my previous remarks, to specify precisely the amount of training that we are doing this year for people of native ancestry. We do not keep that type of information in our records. However, we can give you a picture of this on an estimated basis, and this might be of some interest and help to you.

At the moment, that is, in this current year, we are engaged in six different types of training, which are directly relevant and concern people of native ancestry. The first of these is what we call basic training for skill development. The purpose of these courses is to raise the level of competence of individuals in certain basic subjects such as arithmetic, certain elementary sciences, and languages, to raise them to a level in these basic subjects where they can then take additional training in an occupation. At the moment throughout the prairie provinces, mainly in the northern parts of those provinces, we are giving training to 1800 people of native ancestry, some of this on reservations and some of it near the reservations.

• 1035

The second type of training we provide and it follows from the one I mentioned, is what we call skill development training. This is training in specific occupations. Here I am give you two examples of what is happening. We are giving some heavy duty equipment operator training for northern natives in the Northwest Territories which will make it possible for them to take jobs in construction and mining operations. We are giving fishermen training at Terrace in British Columbia which will make it possible for natives to participate more fully in fishing. I should emphasize that I do not have a complete catalogue of all the courses we are providing, but I am trying to illustrate as extensively as I can some of the things that are happening.

Mr. Smerchanski: Mr. Chairman, on that number one point, are some of those 1800 being trained under the ARDA program in conjunction with the provinces?

Mr. Francis: Yes, part of them; not all of them.

Thirdly, we are co-operating with the Department of Indian Affairs and Northern Development in certain types of apprenticeship training. This is taking place particularly in the prairie provinces.

Fourthly, and this is an area we regard as being of considerable importance, we have quite a number, and an increasing number, of training in industry projects or arrangements.

This is the type of thing to which I referred in my initial comments where we try to encourage a company to establish training which will make it possible for those living near its activities to take the job that will become available. I can give you a number of examples of this type of thing. We are training in the prairie provinces 100 pulpwood cutters, and these will be people primarily of native ancestry. We are training 60 construction workers to take employment in the Nelson River dam project, and this particular project will be enlarged and include additional people. We are training approximately 60 people to become steel erectors, that is, to work on the erection of transmission towers, and this again is taking place in the prairie provinces. We are training 20 drillers, people who could take employment with the northern exploration industry, principally in the Northwest Territories. Reference was made by Mr. MacDonald at your last session to the ANVIL Corporation and we are working with Indian Affairs in an effort to develop training in conjunction with that particular project. We are hopeful that we will be able to do this.

The fifth type of training service that we are making available is what we call self-improvement training. The purpose of these courses is to help people of native ancestry to become more effective in their own environment. Accordingly, there is quite a list of types of courses here and I can give you a fair number of examples. We are training people as big game hunting guides; we have 150 people involved in such training in the prairie provinces, and we have additional training of this kind in British Columbia. We are training natives to act as tourist guides, both in the prairie provinces and in British Columbia. We are providing training in fishing, in boat and engine maintenance, in farming, in housing construction, in animal husbandry, in mechanical tree planting, in firefighting, and in tree stand treatment.

• 1040

The final type of training is something that is just being developed as far as we are concerned, and it is what we refer to as health training; to train people so that they can perform in the various health occupations. We have courses for child care and a variety of other health services, but this type of arrangement, as I mentioned, is something that is just beginning. We hope that it will develop further.

In conclusion, Mr. Chairman, our experience with these various types of training courses—and you will have to remember that our training program is just a little more than a year old—to date has been varied. In some cases we have had very substantial success. I think this occurs when there is the proper amount of preparatory counselling, and also when the training is directed towards employment that is available either immediately after the end of the course or very shortly thereafter, and when there is follow-through counselling in respect to the training. Where these types of things are present we have had very considerable success. Where they are not present, then it becomes more difficult. We feel that we have learned a lot by what we have done in the little more than a year that we have been active under this program, and we have been helped greatly by the co-operation we have received from the Indian Affairs people. We feel that on the basis of this our training activities in these kinds of fields and in respect to people of native ancestry will be expanded considerably and will become more effective. Thank you.

The Chairman: Thank you, Mr. Francis.

Gentlemen, a number of people have indicated questions. To be fair to everyone, we should limit ourselves to 10 minutes each in the first round and then we can come back if somebody wishes longer. On the first round Mr. Borrie has indicated that he has a question.

Mr. Borrie: Yes, Mr. Chairman. I have three questions and I will make them very brief. On vocational training, Mr. Francis, what level of education is required for the young, and are there any vocational training programs for the adult?

Mr. Francis: Mr. Chairman, most of the training I spoke about is for the adult. We are not really rigid on the level of educational attainment which is necessary to get into any of these courses. When you try to provide this type of training, and particularly the first type, the basic training for skill development, to people, you have to be prepared to start at quite a low educational level, and this in fact is what is happening.

Mr. Borrie: Thank you. A number of years ago, in encouraging the employment of those

over 45, the government did have an assistance program. Does this come under your department—encouraging the government to establish a similar program for the employment of native people?

Mr. Francis: I think if there were such a thing we would be involved one way or the other, yes. The previous program, the incentive program for older workers, as you may recall, was discontinued after its experimental period.

Mr. Borrie: Yes, but it did encourage a number of employers to employ those who were over 45 at the time, which I think is a process of education for the employer, to think along this line, and this is what I was thinking of in regard to the employment of natives.

• 1045

The last question I have Mr. Chairman, is, in highly unionized areas do you have any problems with the unions accepting natives as members of their unions, particularly in apprenticeship programs? This is always a difficult area even for white people to become members of unions.

Mr. Francis: Mr. Chairman, I am not aware of any problems of this kind. That does not mean that they do not exist. The unions certainly set up quite specific requirements. I would not think those requirements would be specific in relation to any ethnic group; they are specific in other types of respects. I am not aware of any problems of this kind, but, as I say, that does not mean they do not exist.

Mr. Borrie: I have heard of one occasion of it and I wondered whether this was a general type of problem. Thank you.

Mr. Francis: I would be surprised if it were a general situation.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Chairman, before I ask questions particularly arising from Mr. Francis' statement, I would like to commend the Department for some prompt action. I will begin on a positive note. You will recall last Thursday I raised the question of the handicraft course and their retail program for the Indian people in southwestern Manitoba. I was home over the weekend and I find that that course and program has been extended until Christmas. I would say this is a very excellent example of how red tape can be cut through to the benefit of the native folk.

With reference to expanding the employment opportunities of our native people, one of the problems that has arisen in the past in providing basic skills, and we had a project in Manitoba, Pembina House, which was designed to give preparatory training to our Indian citizens prior to them entering the labour market. Over a year ago Manpower withdrew its support to this project, and it was pretty well relegated to provincial responsibility. The idea of this scheme was to bring mostly young Indian people together, and it also involved some of the Metis, to give them what you might call the basic social skills—some of the items that have been outlined here this morning—so that they would be able to move freely in the labour market, and to compete on a basis of equality with the larger community. Mr. Francis said this morning that in the past year there have been improvements in these matters. Is Pembina House still outside the Manpower program, or has it been reinstated?

Mr. Francis: Mr. Chairman, my information is that in that case the problem was to try to provide the assistance required in the way which was most consistent with the different programs we have. Initially the arrangement was made under our training program. As the particular project developed, it became clear that what was required was a much broader service than just a specific training service. As you have already indicated, sir, it was a form of social rehabilitation. Therefore, it was felt by our people and those concerned that the better way of handling it would be not through our training program, but through our joint federal-provincial vocational rehabilitation program, and there was a transfer of the project from the training program to the Vocational Rehabilitation Program which was a joint one with the province, for that reason. That is my understanding. Therefore, as far as we know at the moment, the project is continuing, but continuing on this different basis. This different basis is different not only in terms of the program, but also in terms of the financial arrangements as between the federal and the provincial governments.

• 1050

Mr. Dinsdale: I think that was the point at issue, that the burden was being transferred to the province in this respect.

Mr. Francis: It was our feeling that since it was a vocational rehabilitation project, in effect, that it was properly a program in which the province should be participating financially as well us. That was the reason.

Mr. Dinsdale: Are there many more schemes of that kind across Canada, or is this unique? It would seem to me to be basic to any successful manpower training scheme that these social skills or occupational rehabilitation, I think was the phrase you used, should become available if the native people are going to compete successfully in the labour market. Is this so? Are they all under the joint provincial-federal arrangement?

Mr. Francis: That is right. We have a vocational rehabilitation agreement with every province, except Quebec, and we have activities, projects of quite a wide variety going on under these agreements right across Canada, wherever the agreements are in effect. In fact, talking about this activity in terms of the budget or the funds concerned, we anticipate next year almost doubling activity under this particular type of program.

Mr. Dinsdale: Are the programs that were outlined this morning exclusive of the vocational training and technical training that goes on in the technical and vocational schools across the country? Are they separate from those schools, or do you try to integrate them and tie them in closely with this whole chain of schools that have emerged in the past ten years?

Mr. Francis: Mr. Chairman, when we initiated the new program a little over a year ago, we felt that we should permit the province to provide the training in whatever institutional facilities it had available. What has happened is that the training we are purchasing on behalf of our clients now takes place in three kinds of situations.

Some of it, and a growing amount of it, takes place in adult training centres; that is, facilities specifically designed and provided for adult training.

Some of its takes place, however, in other types of technical and vocational schools in which young people still in the school system are also being trained. In this second case, we will have classes involving our people, adults that we have referred, and there will also be in the same school other classes providing training for young people as part of the ongoing educational system.

The third type of arrangement which exists is where our people and young people are together in the same class as well as in the same school; this also occurs.

It is our feeling that by far the best arrangement is the first; that the training of an adult is a different kind of situation in important respects from the training of a young person who is still in the school system. We, therefore, are trying to encourage the provinces to provide facilities designed to meet the needs of adults in a training situation to an increasing degree. This, in fact, as I said, is taking place.

Mr. Dinsdale: So the shift is more towards provincial responsibility in this program?

Mr. Francis: It depends what you mean by provincial responsibility. We pay the total cost of the training, we also provide to the provinces a considerable amount of money by way of capital grants to construct the facilities. Our payment for the training includes administrative costs, and overhead costs. So in fact, if the province builds the facility, which it can under our capital grant program, it can recover the total expenditure if we use the total amount of the facility for training under our program. One might put the distinction this way: we act as the banker of the client, and we pay 100 per cent of the training for the client. We do not provide the training; the province provides the training. We just pay for it.

Mr. Cullen: On a point of order, Mr. Chairman. Mr. Dinsdale, I understand the group here this morning is busy getting ready for the meeting which starts tomorrow, and I would like them to know on behalf of the Committee that they are welcome to stay here until one o'clock. We will be here until then, but they should feel free to go at anytime. I do understand that you have Committee meetings and groups to set up, Mr. Dieter, and you might know that you are free to go at anytime or free to stay here until one o'clock, if you so wish.

Mr. Dinsdale: Just one final question on this subject, Mr. Chairman. There have been vacancies in these vocational schools across the country notwithstanding the increasing

demand. What accounts for these vacancies when there is such an overwhelming demand?

• 1055

Mr. Francis: Mr. Chairman, I am surprised to hear this. I am not aware of these vacancies. If there are vacancies in adult training facilities, we will take them almost immediately.

Mr. Dinsdale: There is accommodation available in the vocational schools that is not being used.

Mr. Francis: I would have to look into a specific instance, if you have a specific instance in mind. If you are talking of the vocational schools that were built to provide training at the secondary school level as part of the provincial educational training system...

Mr. Dinsdale: I am talking about the Manpower retraining program.

Mr. Francis: If you are talking of the Manpower retraining program, I am surprised to learn that there are vacancies. If you could give me the details, I would certainly look into this.

Mr. Dinsdale: I think this is one of the problems, there have been so many changes it is confusing to people and they are not aware of the areas of responsibility as between Manpower matters, the federal government and the provincial government. Someone has already mentioned that clarification of these changes in policy might result in greater utilization, particularly to the benefit of our native people.

Mr. Francis: Mr. Chairman, I might just make one remark. The program was changed very considerably a little over a year ago, and any change is going to lead to problems, and there were problems associated with the change in the programs. Our information to an increasing degree every day is that the new arrangement is working quite satisfactorily and with increasing success. Also our information was that we now had established with most of the provincial authorities a very good rapport, particularly at the working level, and that it should be possible for this program now to go forward on a joint basis with considerable success.

Mr. Dinsdale: Thank you, Mr. Chairman.

The Chairman: Next on my list is Mr. Simpson.

Mr. Simpson: Mr. Chairman, I have a number of questions to ask on this particular subject, but the questions that I had to ask I am going to leave for the time being because I have a specific matter which I would like to bring up at this time. It is closely associated to what we are discussing. This matter was just brought to my attention yesterday by some local people in Ottawa, and apparently they are operating an Indian craft shop...

The Chairman: Mr. Simpson, we have Mr. Francis as a witness right now, and he is with Manpower. I wonder if we could perhaps complete that. If your question is one for Mr. Francis, fine. If it is not, could we get through with Mr. Francis, and then come back to the Department, because we are going to have until one o'clock today?

Mr. Simpson: The matter I intend to bring up involves adult training as well as handicraft. It is two specific problems. The most important one at this time is the request that has been made by the people operating the handicraft shop. I would like to bring it up at this meeting because it is urgent and an answer should be given on it very quickly. So if you would like me to leave that and let people direct questions to Mr. Battle...

• 1100

The Chairman: We will put you first on the list with the Department as soon as we are through with Mr. Francis.

Mr. Simpson: That will be this morning?

The Chairman: That will be this morning.

Mr. Simpson: Very good.

The Chairman: Do you have any questions you want to direct to Mr. Francis?

Mr. Smerchanski: Mr. Chairman, I think that the program laid out by Mr. Francis is a good one. Offhand I think there is one other subject that might be included and that is the matter of prospecting. There is a great shortage of prospectors in Canada at the present time and always has been and always will be. A great many of the Indian people are almost a natural to it, and it would take very little effort on the larger reservations or in some of the larger areas to provide this training for them.

I am, of course, much impressed with the fact that you are training them in big game hunting, fishing, and as tourist guides.

Mr. Chairman, all this is oriented towards the training of the Indian and I think it is not unlike many of our other training programs in that it is very compact, it is well thought out, it is well laid out, but that after the training period is over the question arises—and I am quite sure that this is the objective—as to how you get these people a proper living or a job. How do you provide them with a job?

I think it would be advisable to involve industry and involve free enterprise more than the Department has done before. I think that these are the people who are interested and qualified and competent enough to give employment after these people have been trained. I know that there has been a vacuum in this area; that possibly too much effort has been devoted to the training and not enough to utilizing the results of that training in a proper manner to obtain jobs or employment for the trainees.

I think also, Mr. Chairman, there is lacking a type of guidance group which could work out something as they have done in the United States over the past four of five years. This is social development or social adult training, if you want to call it that, where you would have people from among the Indian groups themselves working with those who are delinquent in terms of working regular hours—those who possibly might go on a long trip on the week-end and forget to come to work at nine o'clock on Monday morning.

I think you could have with your training program certain key people from among the people themselves who would take it upon themselves to make sure that they would contact these people and paint out to them their responsibility of returning to their jobs on Monday morning. I think, Mr. Chairman, that approach is as important, if not more so, than the training you are going to give these people. It is this type of attendance that is required by industry. I think this has possibly been one of the biggest, if not the biggest, problem as far as Indian labour is concerned.

I would say, Mr. Chairman, that it is no different from what occurs in many other areas of poverty in Canada today. I think that involvement of industry is important, as industry can and does want to contribute, and that in these training programs it should be involved.

• 1105

I would like to make one other observation on the matter of training. There are a great many consulting firms working under ARDA projects preparing a certain amount of information and documentation or running surveys, if you prefer, and I think, Mr. Chairman, that a review by the proper authorities would reveal that they serve very little, if any, useful purpose. This is not giving the Indian people or the Canadian taxpayer a proper run for his money.

I am very much impressed with Mr. Francis' presentation and I know that the information he has given us has been prepared be very competent people. I would leave the thought with him that somewhere along the way you should conduct a thorough study or a continuing investigation into some of these projects to see if you are really getting your dollar's worth out of it.

In conclusion, there have been, certainly in my constituency, a certain amount of resistance or bad feeling created because of the training program is being handled by consultants without involving the people in the local areas. The United Church—the boys' and the girl's home in Toulon, Manitoba—is doing an excellent job and now turns out an average of 20 Indian girls and 20 Indians boys from the Grade 11 and Grade 12 levels.

I can assure you that not one of those young people will ever be a liability. They are making a contribution to the Canadian way of life, but it is only because the local people are involved. Some of these training programs have a tendency to isolate the Indians, isolate their training on the reservation as if they were people on the outside looking in. This should not be because the Indian is a Canadian as much as anybody else and he should have the same involvement in business and the same involvement in community training so that the community can help him, whether it be from the religious standpoint, the industrial standpoint or from the standpoint of giving him employment.

I think that somewhere along the line, Mr. Francis, this should be reviewed with that purpose in mind because it is not a good feeling and it should not be there. Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Smerchanski.

Mr. O'Connell: Mr. Chairman, for the first round, as you call it, I would like to ask a few questions that relate to job training, and what I would consider more important, an opportunity later to raise the question of government social policy with respect to job opportunities. I think the general social policy—I am going to call it that—does have a pretty direct bearing on the success of some of the efforts toward job training and employment opportunities. I am going to do that in terms of the relationship of housing to jobs. I will come back to that.

First, I would like to say that I think Mr. Smerchanski hit the nail on the head when he was discussing the involvement of industry in the training programs and the follow-up with industry to try to ensure that they do retain workers and know what processes the native people are going through very frequently. I myself do not feel that enough has been done to work with major employers—the oil companies, the mining companies, the transport companies or even with government. I think this is one of the points I am going to bring up on the second round if I might, since a good deal of leadership will have to come from there. I would like to stress that point of Mr. Smerchanski's also.

I wonder if the best way of getting at the relationship between the employer and the employee in this case is not to go to the Indian organizations, the Indian associations, and see whether they, perhaps under contract, would act as counsellors, serve under contract counselling both the manpower service and the Branch and the employers. I know there is a good deal of interest among some of the Indian organizations in this respect, but I do not think any group would have a greater success than they would in conveying to employers the needs of Indians in employment, how they see employment, how they see work discipline, and working out with them some adaptations to the work processes that might see some breakthroughs in this field.

• 1110

I wish to make that point and encourage the manpower service to approach Indian organizations at the provincial level and see whether they could conduct seminars or conferences with employers and get some real dialogue going that would involve the people themselves, because there is much to be learned that way, I think.

I will make this a question; I have not been asking questions, have I? Your examples were given mainly from the Prairie Provinces and some were from the Northwest Territories. But what is going on in Ontario, in Quebec and in the Maritimes with respect to these programs? Is there some difficulty because it is federal-provincial?

Mr. Francis: I am not aware of any difficulty of the sort mentioned in the other regions. My examples were drawn mainly from the West and the North because this is certainly where most of our activity so far has taken place and has developed. I was talking yesterday with our Ontario people and I know they are active in ways similar to those I mentioned in various parts of Ontario as well, but I think it is true to say that in terms of our manpower services these have developed and become active so far more in the West and the North than they have in the other parts of the country. We are now, in fact, reviewing the situation in Ontario, in Quebec and in the Atlantic provinces.

Mr. O'Connell: Mr. Chairman, if the services do not exist in the province, how much steam is there behind the effort to either put some federal services in or to induce provincial services to emerge? Is there a problem in some of the provinces, as you see it?

Mr. Francis: I am not aware of a problem at the moment but as I said, we are now trying—and I think your phrase is a good one—to put some steam into the service in Ontario, for example, and as we do that it is possible we might run into a problem. But I am not aware of at the moment.

We have concentrated, as I say, on the West and the North, because there you have the problem exacerbated by the element of remoteness that is involved. This it seemed to us was the proper priority in terms of our approach. We are now turning our attention to the other regions and I am not at this point aware of problems of the sort you mention.

Mr. O'Connell: Mr. Francis, where you stressed the great importance of counselling, both during courses and in the post-course period, could you indicate the qualifications of the counsellors? What sort of evaluation process do you employ, and have you been

able to employ Indians in the consulting during the course training and in the post-course period?

Mr. Francis: Since the Department of Manpower and Immigration was established a little more than two years ago, there has been a considerable increase in the staff of the Department, and particularly among the manpower counsellors, as we call them. Generally speaking, the qualifications for these counsellors are university graduation and some working experience in industry. The amount of working experience in industry required varies with the level of the job, of course. All of the hiring, obviously, is done through the Public Service Commission. When the Department was established we found that the staff who were serving as counsellors included a very, very small proportion of people with university education and we felt that it was necessary to try to raise the educational level of our staff. Four hiring, as I say, since then has tended to put a little more emphasis on a university level of education, plus working experience.

• 1115

On the hiring of people of native ancestry, we have in our Prairie region this year appointed a person of Indian ancestry as the senior officer at the regional level in charge of the development and provision of our services to Indians, Eskimos, and others of native ancestry. He is an Indian and he is the person now in charge of our whole services as they apply to these groups. We have an increasing number, but I would not want to leave you with the impression that it is a large number at this time, because it is not, but we have other instances of people of native ancestry serving as counsellors in our various manpower centres. I must say I agree with the principle that has been mentioned of trying to involve these people themselves in the extension of services to them. We would like to employ more people of this kind and it is our intention to do so. We have made some progress. The senior man now, as I said, is such a person and we hope to have others throughout the organization as quickly as we can.

Mr. O'Connell: I would just like to make the point that it seems to me, and I think Mr. Smerchanski made it also, so much of the success depends upon things other than the actual training; they are the social factors, emotional factors and factors of that kind, and it well might be that the qualifications for counsellors should include the capability to assist in the social adjustments and so on, and therefore a larger Indian component might be quite reasonable in the counselling area.

Mr. Francis: Mr. Chairman, I quite agree with this remark. I think, though, that we have to see the development of our services on a co-operative basis with the Department of Indian Affairs and Northern Development and also with the provincial departments and agencies. What we have here is a need for co-operation to a considerable degree if we are going to provide the range of service that should be provided. On our part, I agree with the comments made, that we should ensure our prople have a capability in the broader fields, and this we are trying to do. However, the fact remains that our manpower programs primarily have economic objectives and I do not think we could envisage ourselves as a social service agency. In saying that, I would like to emphasize that I do agree with the importance of us having some ability some understanding and knowledge of the broader type, and this is what we ae trying to do.

Mr. O'Connell: Mr. Chairman, I have just one other question, and that is, how does your Department distinguish between a program for Indians, as described in the act, and one which includes Metis and persons of Indian ancestry?

Mr. Francis: Well, Mr. Chairman, I said persons of native ancestry and there is no distinction; it applies to them all.

Mr. O'Connell: Mr. Chairman, may I suggest we adjourn our formal meeting before all the Indian visitors depart? Perhaps they wish to comment in this whole area. It is an opportunity while they are here to hear from them.

• 1120

The Chairman: On that suggestion, Mr. O'Connell, since we have already recognized them as guests, if any of our guests have any specific comments to make on the Indian employment problem, we would be only too pleased to hear from them as witnesses this morning. Since we have already recognized you as official guests of the Committee this morning, I do not think there is any procedu-

ral problem involved in asking one of you to appear as a witness. So if any of you do have any comments, you could perhaps discuss this among yourselves. If you have any specific comments on this topic of the employment situation for Indians in Canada, would you let me know through the Clerk, or by telling one of the members, and we will arrange to hear from you this morning. We are going to be sitting here until 1 o'clock so you have a little bit of time to think about any comments you might want to make. The next person on our list is Mr. Cullen.

Mr. Cullen: Thank you Mr. Chairman. The comment made by Mr. O'Connell inviting the members of the National Indian Brotherhood of Canada to comment was almost a prologue to my comments because I am sure Mr. Francis will agree with me, fine as all of these programs are, they are not worth a hoot in Hades if the Indians do not participate and do not take full advantage and do not correct when corrections need to be made. The analogy might be drawn to the veteran of World War II who came back, and there were all kinds of things made available to him: $60 a month to help him with his university education, V.L.A. allowances, and things of this nature, but the veteran had to afford himself of these things. Nobody suggested that this was enough for the veterans. I was in school and therefore not a veteran, so that I can talk this way and I compliment these fellows on what they did. They helped win a war and then they came out and resettled themselves in the community, a community that quite frankly was strange to them after five or six years absence. There was a lot of complaining but the programs were there and the veterans used them. The point I would like to stress is that I am a little tired of the attitude that we are spoon-feeding them and I think the Indian is a little tired of that too. These programs are here as a guide, if you will, as questions that were put on the paper when the Indians were asked to come to the consultation meetings. They were only there, as a guide, some kind of frame of reference to operate from, but I hope the point is being made to the Indian people, and I am so happy that National Indian Brotherhood members are here today, that if these things are to work, Indians have got to make them work. This is only the framework.

I have seen programs set up not only for Indians but for all kinds of people in various circumstances and had they not been utilized by the people for whom they were provided, they would never have become operational. One of my questions is, and I will get to my questions as Dr. O'Connell said, does location—and I would agree with him that most of your comments seem to be on the western part of the country which, as a member of Parliament, I am interested in although I live in the east—but does location to a great extent dictate the type of training that our native people receive? For example, does the fact they are in the Northwest Territories dictate pretty well the kind of training they get? Let us take bulldozer operators as an exemple: there are not too many bulldozers in the Northwest Territories but there are more and more going up there. Do you have a program for moving people out, say, for a three month period to train them and then take them back to the area?

Mr. Francis: Mr. Chairman, yes, we do have such a program. We can move a person from his community to another community where the training that he would like to receive, and which would help him, is available. We can pay his moving expenses; in most cases he would receive what we call a training allowance while in training; he would also, if we moved him, receive an additional amount which would recognize the fact that he is taking the training not in the community in which he is living; in other words his training allowance would be greater than it would otherwise be. As a matter of fact, we are providing training to an increasing number of people under this kind of arrangement.

• 1125

Mr. Cullen: Is there a kind of counselling provided to the people and—I am thinking of those in the more remote areas—the kind of counselling which tells them, "You are adapted to becoming a mechanic", or "You are adapted to becoming a social worker", or "You are adapted to medical services"? Is this kind of counselling provided by the Department in the remote areas?

Mr. Francis: This is a requirement in every case where we authorize the payment of training and the payment of training allowances. In every case it is necessary that there be a prior counselling session with the individual concerned, the purpose of the

counselling session being to ensure that the decision which is made, first of all about whether there should be training or not and secondly about what kind of training there should be, is a decision made in full recognition of the interests and qualifications of the person concerned and also in view of the character of employment opportunities that are available and where they are. In every case there is a prior counselling interview.

Mr. Cullen: I would say from experience that it is difficult enough in a free enterprise system to get a good education or to get the best you can; may be you do not have the intelligence, maybe you do not have the money. From what I have heard, all members of this committee recognize the Indian problems are so much greater than those of the average person on the street who has a chance to go to school. We should ensure the Indian people and the native people recognize that we realize this and that we are really only trying to help and are not trying to lead them by the nose or—and I hate this word—spoon-feed them.

I would like to close out by saying that when you are dealing with these people I hope it is pointed out to them that people are prepared to make allowances for the fact that a fellow has not been taught arithmetic or spelling or anything on the reservation. We are not looking down our noses. We recognize the opportunity was not there.

I am very impressed with your program and particularly, Mr. Francis, with the way it is diversified. I am a member of the government but I do not think that the government really can take any credit. The Indian Brotherhood members here this morning should look at all these gentlemen and see that they do not have horns; that they really are decent human beings trying to do a decent job and this kind of diversification impresses me, and impresses me as a job done primarily by civil servants and not by governments. The government provides the money and probably the policy but not the implementation. This kind of operation impresses me tremendously. You are to be commended for it.

Mr. Smerchanski: A supplementary question on that. Mr. Francis, in your remark that you did not want to get involved in the social service programs, under your point 4 Training and Industry Projects and point 5 Self-improvement, I do think that this is where the responsibility of the trained individual should be stressed and impressed on him, his responsibility to the job and to his employer without necessarily bringing in social service programs I do not think that you have to provide the Indian or any other Canadian with psychiatric treatment or a counselling set-up. What he wants is a job so that he can make a decent living and be proud to raise his children in the community and let them have all the good things we are all entitled to. This is the point I was trying to bring out, that you could have some counsellors or guidance, just like on the old Indian reservations 20 years ago, where you had a senior citizen, or maybe two or three of them, who would give this type of counselling and guidance and they had a respect for him. In the last 20 or 30 years this has disappeared. The younger people are just in same category as some of our own younger people in that they will not listen to counselling. Therefore, there is a retraining program now in industry and a requirement to impress on these people that after they have been trained and get a job there is a responsibility to the job, a responsibility to the community, responsibility to their families and to live what we normally call a good, straight-forward, decent community life. I hope I did not misrepresent my remarks and certainly that I did not misunderstand you when you said that social service programs are not necessarily your objective. I say this simply for clarification and I do feel that all these training programs have a very direct material effect on making the Indian responsible to his job, to his employer and to his community.

• 1130

I wanted to bring this out, Mr. Chairman, because I do think the program is excellent and it is just a matter of getting that objective into a finer point and I do believe that much could be done and that this should be a good, successful program.

Mr. Francis: Mr. Chairman, may I just make a comment on that? I much appreciate these remarks. I think what I said was perhaps ambiguous. I was trying to draw a distinction between a program the primary purpose of which was social services in a welfare sense, and our program where the primary purpose is economic. Now, within that primary distinction I very much agree with you that we have to be cognizant of these social

behaviour qualities, and so on, that anybody must have in a job environment, and it is certainly very much a part of the job of our counsellors to help people in these respects.

Mr. Dinsdale: Mr. Chairman, do you have anyone else on the list?

The Chairman: No; so far as Mr. Francis is concerned...

Mr. Dinsdale: I would like to make a supplementary statement. We have been making speeches instead of asking questions, so I think I will join the speechmakers this morning.

One of the best points of contact between the larger communities and our native population, which more and more is drifting to the city, are the friendship centres, and yet I find that without exception the friendship centres are undermanned. Mr. Francis states that the personnel facilities of the Manpower offices have been expanded considerably in recent months and that counsellors have been added to the Manpower staff, but it is my experience that while there has been an expansion of personnel in the Manpower offices, there has been no similar increase in the point of contact and communication with our native people.

Indeed, the barriers are even more restrictive than before because of what several of the members have said this morning, the difficulty that our native people find in adapting to the demands of the urban environment. I would say that if we are really going to provide a counselling service that is helpful to the native people in adjusting to the community, counsellors of a particular type and in a particular place have to be provided.

It would seem to me that our friendship centres, which are points of contact between the larger community and the native people, should be staffed by suitable counselling people. I noticed Mr. Francis stated that a university degree is required. I think it needs much more than a university degree. I know some of the counsellors are young ladies who come out of college with a B.A. degree who can not communicate with the native people in any manner or by any means.

You would have a much better contact and communication if it were one of the native people operating in a friendship centre where our Indian friends actually do feel at home in the urban community.

The Chairman: Mr. Simpson?

Mr. Simpson: Mr. Chairman, I am going to get into the same vein of making, possibly, a suggestion or a statement, but it is very important and relates to Manpower training, job facilities and job availability. It has been mentioned that housing ties in quite closely and I am sure the people are all very well aware of this. As possibly members of the Department know, we have had a situation at the International Nickel development in Northern Manitoba involving a number of native people who have come in to accept employment with contractors in that area, and through no fault of theirs but because of the lack of housing they have had to settle some considerable distance outside of town.

• 1135

This is causing a great problem and, of course, it is causing concern to the employers, to the people of the mining company and a concern, at this particular moment, to the Canadian National Railways because the only way they have been able to get to this location of theirs is down the railway track.

The majority of the people at this place are steadily employed with contractors in Thompson and yet here they are, having to camp out in the bush through lack of housing at the townsite of Thompson. The housing stipulations, of course, are extremely high. The requirements are very rigid, and these people coming in to take employment certainly would not be in a position to pay what is demanded for housing at Thompson at this time even if it were available.

This is a problem, as I say, that is probably giving a great deal of concern to the people. This is one thing that ties in directly with the manpower situation and the availability of jobs.

The Chairman: Thank you, Mr. Simpson.

Mr. Cullen: May I ask a question, Mr. Chairman, in connection with what Mr. Dinsdale said about the friendship centres? Are they not operated—and this question, Mr. Dinsdale, is for you—by the Indian people and by the municipalities? Do they want an involvement by government at all, either financial or in providing counsellors? What is the background? I attended the one in Toronto as a visitor, but I never really got the background.

Mr. Dinsdale: May I answer that question, Mr. Chairman? It is a voluntary group activity operated mostly by the native people, but the problem is, as always, lack of sufficient financing. There are grants from the citizenship branch through the provincial government, and usually understaffing is one of the problems.

In this whole area of counselling the point I was trying to make is that while there has been a substantial increase in personnel, very few of the personnel in the Manpower Centres are able to communicate with our native people in their special problems. They are co-eds, freshly graduated from college in a good many instances, and I think you will understand the problem.

Now, how are you going to get a counsellor into a friendship centre, someone who can devote almost his or her full time to dealing with the personal problems, the problems of adaptation to the community? It is a financial problem; the boards raise their own money with the assistance of the grant to which I have already referred, and I suppose the best way is to increase the grant so that a counsellor could be hired.

Mr. Cullen: You raised this question in connection with Manpower. Are you suggesting that Manpower should train counsellors, or should be on the lookout for counsellors who could man these friendship centres? It seems to me we are getting involved in an Indian friendship centre that they are trying to operate themselves, and I wonder whether they have been asked whether they appreciate this kind of a system.

Mr. Dinsdale: Yes, it is one of the major difficulties of any friendship centre, and I know that representations are being made constantly in this regard. The friendship centres grew up spontaneously in response to a growing need as the native population shifts to the city, and they have growing pains arising mostly from financial difficulties.

• 1140

The Chairman: Gentlemen, I think both Mr. Dinsdale and Mr. Cullen have made their points.

Mr. Smerchanski: Mr. Chairman, if I may I should like to make an observation on this matter of temporary construction jobs. We have to recognize...

The Chairman: Is this directly related to Mr. Francis?

Mr. Smerchanski: Yes, it is; it concerns this training program. The reason I want to make this observation, Mr. Chairman, is because in the past certain members of Parliament at various times have raised the particular objection, and a strenuous one, that the Indians or some of the other people on construction are being provided very, very low type of accommodation. In their estimation it is because one might be living in a tent.

You can live just as comfortably in a tent as you can in any kind of house on a temporary construction job. These people should try to understand the problem involved. Many a time the finger is pointed at a development like International Nickel, which is a temporary construction job, because there is no provision for housing.

Now, because it is a temporary construction job it is humanly impossible to provide housing for these people, but there is nothing wrong in setting up proper tent facilities in an off-site location, and it is in this type of work that some of the Indians could be encouraged through the Manpower training program, where they could be in training or possibly living there with their families.

Now, one of the things that always is a mystery to me is that some of our members of Parliament will discredit living in a tent. The news media will come out and take pictures and publish a story to the effect that it is really a shanty town or some very, very undesirable type of life. On the contrary. It can be controlled; the local people, whether they be Indian or of any other type of ethnic background, are accustomed to this type of living because this is their way of life in the North. I bring this to your attention, Mr. Francis, because I do not think it is a problem. I do not think it is a matter of great concern provided it is approached in the proper atmosphere and in the proper context of just exactly what it is supposed to provide and achieve.

Temporary construction jobs? You cannot provide decent housing on these temporary construction jobs, but standard construction camps are all controlled by the health officers of the provinces in which they are located; they have their regulations. However, for some unknown reason, some of our communi-

ty leaders immediately raise the cry that the local people are being discriminated against, are not being treated properly.

This is not so; a tented campsite if properly constructed is just as comfortable as any hotel accommodation you can get. Mr. Chairman, I mention this simply because our papers in the past five or six years at different times have done a disservice to the Manpower Training Program that has been instituted and a disservice to organizations like the International Nickel Company, the Manitoba Hydro-Electric Board and other northern developers that are contributing to the build-up of our industrial north and the development of the north in which the local people, including the Indians, are taking part and from which they are going to prosper.

I say this for the record, simply because so many times you hear a shanty town inference because it is tented accommodation.

The Chairman: Than you, Mr. Smerchanski. If there are no other questions from members of the Committee, I have some questions for Mr. Francis.

We have heard some encouraging news from you this morning, Mr. Francis, especially about your training in industry projects and hopefully you are going to have a moderately substantial number of people working as pulpwood cutters, construction workers, steel erectors and drillers. Nevertheless, I have a feeling that if the statistics are brought out, the picture is not really as bright as it seems and the statistics which I have always been led to believe are moderately accurate are to the effect that somewhere between 40 and 50 per cent of the eligible adult male Indian labour force in Canada is unemployed. Do you have any particular statistics on this? Do you have any figures to support mine, or is this inaccurate?

• 1145

Mr. Francis: No, Mr. Chairman, we have no specific figures of that kind.

The Chairman: You have never set up a special statistical section as far as the employment of Indians or native people are concerned?

Mr. Francis: Not a special statistical section. In our statistics we do not differentiate on ethnic grounds at all; in fact, it is against the law for us to do so.

Mr. Smerchanski: Mr. Chairman, is it permissible for one of these gentlemen to make a statement?

The Chairman: Yes, Mr. Smerchanski. As soon as we are finished with Mr. Francis I intend to call Mr. Beaulieu as a witness. He has indicated he has a comment he would like to make.

An hon. Member: And what is your name?

Mr. Bob F. Charlie (Yukon Native Brotherhood, Whitehorse, Yukon): Bob Charlie.

An hon. Member: We would like to have his name added as well, Mr. Chairman.

Mr. Dinsdale: Mr. Chairman, with reference to your question, these statistics must be available somewhere because they have been published from time to time. Who keeps the employment statistics for the Indians?

Mr. MacDonald: We do not think our statistical information is that good. We are trying to improve it, but from the crude information that we have derived from a variety of sources, our agencies and regional offices, it would indicate that the Chairman's figure of about 40 per cent would be accurate if you added the words "at some time of the year", which is a very important qualification.

Mr. Southam: May I ask a supplementary question here? I think the Chairman has brought up a very interesting topic. I am sorry I was late in arriving, Mr. Chairman, but I had to attend another committee and I could not be in two places at once.

Picking up the threads of the discussion this morning under the heading of manpower and retraining, I think, we should spend a little more time in specifically obtaining statistics along this line to see if the program that we are developing in the interests of the Indian population is going to become effective, and we can use the set of figures that we have this year and compare it with next year when these deliberations are again under consideration. I think we have to delve into this because, interestingly enough, these statistics give us a picture from year to year.

The Chairman: That is a good point, Mr. Southam. Did you have any further questions on that supplementary, Mr. Southam? I have another questions or two for Mr. Francis.

How many people in your Department, Mr. Francis, are specifically assigned to encourag-

ing industry to employ Indians or are involved in some way in this aspect of the matter?

Mr. Francis: Mr. Chairman, I cannot give you that figure and it would be very, very difficult to find it. We do not approach the problem in exactly the way you have put it. Canada Manpower Centres are located in over 300 locations across Canada. Many of these centres are capable of extending mobile and itinerant services throughout the districts they serve. We try to extend our services to all of the people in all of the country through these centres and the related mobile and itinerant services and facilities. That is what we are trying to do.

Where we have CMCs in localities in which the major part—or a significant part—of the population consists of people of native ancestry, it is natural that the services become developed and extended, as far as we can do this, in a way which is tailored to their needs and their situation.

• 1150

The Chairman: Is there anyone in Ottawa, or at a superior level within your Department, who is taking it upon himself to see to it that the various Manpower Centres are paying special attention to the needs of the native people?

Mr. Francis: Yes, and not only in Ottawa. In Ottawa there are several officers who work with the Indian Affairs Department and they are directly concerned with the effectiveness of our services in relation to people of native ancestry. There are also a number of officers at the regional level who are assigned the specific responsibility of helping to ensure that our services to Indians and Eskimos are effective. I mentioned that the senior officer in our Prairie region was in fact an Indian.

The Chairman: Therefore you are making very certain, down to the lowest level of your Department, that this particular aspect is being looked after and is being paid attention to.

Mr. Francis: Yes, we are trying to do that from the top to the bottom.

The Chairman: Mr. Smerchanski raised the matter of training programs in the prospecting field. Is something being done in this area?

Mr. Francis: No. I welcome this very helpful suggestion. At the moment we are trying to arrange such a course in British Columbia, although it is not yet laid on. I will follow this suggestion up to see what possibilities there are for an extension of courses of this kind in other parts of the country. Thank you for the suggestion.

The Chairman: It would seem to me—and I certainly support Mr. Smerchanski's suggestion in this regard—that prospecting is something which is going on in every province and it seems to fall completely within the area—

Mr. Smerchanski: Quite frankly, Mr. Chairman, since you have mentioned it, one man from the University of Manitoba—and there are many capable people in Manitoba—could teach a prospecting course and train anywhere from 50 to 100 people, so that the cost to train an individual would be infinitesimal, and yet it would bring you unlimited results in employment.

The Chairman: Thank you very much. I would now like to refer to industry participation in these training programs. You have indicated in the last year there has been an encouraging increase in industry participation. I notice from the response received from a question I asked of the Department of Indian Affairs last week that the training on the job program to which the Department contributes a maximum of 50 per cent of the wages for a maximum of 52 weeks has a total enrollment of 104 people. Is this a separate program from the one you mentioned where, for example, you had 100 pulpwood cutters, construction workers, steel erectors, and so on, at Nelson River? I assume these are two different programs because the figures do not seem to jibe.

Mr. Francis: Mr. Chairman, the projects I was talking about are separate and distinct from the projects to which Mr. MacDonald and others, referred.

The Chairman: As far as Indian employment is concerned, can your Department give special incentives to employers without giving the same incentives to everyone else, or are you prevented from doing this by the very nature of the manner in which your Department is set up?

Mr. Francis: We can give incentives to employers to train; we cannot give special or

additional incentives to employers to train any particular type of person. Under the training program we can give quite considerable incentives to employers to train.

The Chairman: Do you have any plans for additional incentives so far as the employment of native people in the North are concerned? Do you have any other ideas in this regard?

• 1155

Mr. Francis: We have no plans for additional incentives that I am aware of at the moment, Mr. Chairman. It seems to me it would be rather early to go into that. I think the incentives that we have are quite considerable... We should be doing our best to ensure that the employers are making as full use of the existing incentives as possible. Frankly, I would have to say that we still have quite a considerable distance to go in that direction.

The Chairman: One of the problems, Mr. Francis, so far as employment of native people in the North is concerned which I have been made aware of—and this was touched upon by Mr. Smerchanski this morning—is absenteeism on the job. Is any consideration being given to incentives to industry to cover the cost of such absenteeism, or is this more or less covered in the training incentives?

Mr. Francis: The way in which the incentives are provided to employers means that a considerable amount of the cost of such absenteeism—provided it is agreeable to the employer and to us—would automatically be covered. We are conducting one or two experimental projects where, together with the employer, we are trying to combine training with a broader socialization or orientation process. If you are going to do this you have to be prepared to accept more absenteeism, for example, than would ordinarily be the case. So, as part of the experiment we have to be prepared to accept this, and by accepting it we automatically assume part of the cost, not all of it.

The Chairman: Are you people working as closely with the provincial labour departments as you are with the Department of Indian Affairs? Do you have relations with them in this regard?

Mr. Francis: Mr. Chairman, we have very extensive relations with provincial labour departments, particularly in respect to their apprenticeship training programs and also, in a number of cases, in respect to their training in industry activities. Many of the provincial departments of labour have training in industry programs of their own. We have a third area of co-operation with them in respect to another program that I have not mentioned, which is what we call a manpower adjustment program. In these types of cases there is a joint arrangement between the provincial department of labour, ourselves and the company concerned. We have very extensive relationships with provincial labour departments.

The Chairman: Mr. Francis, this morning both Mr. Smerchanski and Mr. O'Connell touched on an area which I also feel is the crux of the whole employment problem for our native people in the North; that is, industry participation in this, which increases the numbers of people employed. Do you feel that it would be a good idea if the federal government were to convene a conference of representatives of the Indian people of Canada, the various labour departments involved across the country, the Indian Affairs Branch, your branch, and the proper representatives of industry based in the North? When I say "proper representatives" I mean those people involved in employment such as personnel managers, and so on. Do you feel this might pay off? Many industries based in the North have practically no Indians working for them, and, at the moment they do not appear to want to employ Indians. Do you feel that we could overcome some of this reluctance by that type of a meeting, or are you attempting to do it on an individual industry by industry or company by company basis?

Mr. Francis: Mr. Chairman, we are attempting to do it on an individual basis. You are beyond that. You really are asking me to comment on what might be a matter of government policy and I, of course, could not do that. If it were decided to do something along the line you suggested I am sure we would be willing to participate, however.

• 1200

The Chairman: Are there any other questions?

Mr. Smerchanski: Mr. Chairman, a supplementary question. Mr. Francis, in the last few years there have been over 1,000 personnel

employed in the general area of Coppermine and I think that no more than possibly 20 or 25 Eskimos have been used on the Coppermine settlement. There is a distinct absence of native and local people working on these projects where the native people could find useful employment because this is the type of work that they can do. What does your Department do? Do they have an outlet, say in Yellowknife, or have they contacted these mining people? What do they do in order to encourage the people who are working in the Coppermine area to utilize local labour?

Mr. Francis: Yes, Mr. Chairman, I am aware of this situation. We do have a Canadian Manpower Centre in Yellowknife and they have been in almost daily contact with this situation. As I tried to say earlier on, I think the way in which we can make some progress in so far as our services are concerned is by getting in contact with an employer as soon as possible and making some kind of training arrangement with him so that it will be possible for the people living in the district to acquire the knowledge and skills that he needs and therefore to take the jobs that he will provide. This is the kind of approach that we have been trying to take to this. In other words the employer will frequently say to us that he cannot employ any of the people around there because they just do not have the qualifications he requires. As I say, our policy response and our response in fact is to say, "Well, all right. We have means of giving you very considerable assistance in ensuring that these people do have the qualifications you need and we are prepared to work out a specific project with you to that end."

Mr. Smerchanski: Mr. Chairman, as a further observation, I know from personal contacts that in the last two years far more native people could have been employed and gainfully employed in Coppermine than there are at the present time. I would like to throw out the suggestion that if somebody in your Department could contact the individual exploration companies in that area it would pay you off a lot more than the project you mentioned in terms of the self-improvement courses and the training in industry courses.

I think that these companies are simply not aware that there are people in the local area or the general area that want employment and that somebody somewhere along the way has erred, possibly in your Department, in not making the exploration companies in that area aware that these people are available. I do not think you would have to have any additional understanding with them except to make them aware that there are people available, whether it is from Yellowknife or north of Yellowknife or Coppermine or wherever it is. There is an outstanding deficiency in that. When you go to these areas you see 98 per cent outsiders working in this area, where close to 50 per cent and possibly better could be jobs held by the local people.

I think that in this, Mr. Francis, somewhere along the way somebody has erred, possibly not knowing the situation, and this is going on continuously. We have the development of oil in these parts and we have additional development now in that area east of the Coppermine and down in the Yukon, and I think that this is the type of work the native people would like, because it is suited to the land in which they live, in which they have trapped and hunted; yet there is an absence of these people in these areas. They could earn extremely good salaries and I think that somebody somewhere along the line has erred and certainly it would not cost the Department any additional funds to be able to bring these people to the attention of the exploration companies in that area.

Mr. Francis: Mr. Chairman, I will certainly look into this situation but it is my personal knowledge that the manager of the CMC in Yellowknife is in daily contact and discussion with the executives of exploration companies and others that are operating in that general vicinity. We cannot force them to employ local people. We have gone a considerable distance by exhortation, by discussion and by incentive through the training program, trying to create a situation where they would employ more. But I will certainly look into this on the basis of your remarks.

The Chairman: Mr. MacDonald has indicated that he would like to make a comment on this.

Mr. MacDonald: Yes, Mr. Chairman, if I may, because I think I did treat this in part in my opening remarks.

As Mr. Francis indicates, the Department of Manpower does follow this matter very closely. They cannot, as he also indicates, force an employer to do other than what he wishes to do. We having a special role in the

north and for native people, and because we do extend very direct assistance to companies, we feel that we can indeed talk to these employers in a rather different way from what the Department of Manpower might feel entitled to.

There have been, in fact, situations such as you described which we do not think are really justified. There are situations where companies going into a new area lie to put together a crews from outside that are known, that have worked together in different places and know their problems and they go in. But still a great number of the employments involved do not require that degree of skill which would justify not hiring locally. In many cases it has been lack of familiarity with what is available.

We have talked to the companies. I met a few weeks ago with the Canadian Petroleum Association, the Independent Petroleum Association of Canada and oil well drilling contractors in Calgary. We raised these problems with them. They have undertaken to receive from us lists of people with various skills and through their members to make a determined effort to increase the employment now that the oil industry seems fairly well secure with respect to its future in the north. We in Panarctic, as we reported to the House, have at the present moment five Eskimo people down at the petroleum school in Edmonton and two more coming next month. They will be employed in Alberta for the remainder of the following year or the early part of the following year by Commonwealth, and they will work on the first oil drilling in the Arctic islands. I think we will be extending this to other contractors such as the geophysical contractors who operate the base camps and these things in the north. So I think there has been a gap here and we are trying to fill it in specific ways.

Mr. Smerchanski: Mr. Chairman, I am pleased to hear you say that because there has been close to 60 per cent turnover below the technical trainees in Coppermine in the last two years. Therefore it seems that if these were local people you would not have that high turnover.

Mr. MacDonald: We put this point precisely to the employers, that the turnover in some areas is as high as 40 per cent. Quite apart from any other things, it is in their own self-interest to co-operate in this kind of program and I think they see it that way now, too.

The Chairman: Mr. Yewchuk.

Mr. Yewchuk: Mr. Chairman, I had to leave for a little while so maybe this has already been asked. As I see it, any training program is useful only if those who graduate from it eventually become gainfully employed. I was wondering whether you had any figures on this as a result of your training program. What percentage of the people that you train do get jobs on a permanent basis?

Mr. Francis: Mr. Chairman, no, I do not have any figures on this. We have two studies under way, both of which are designed to answer this question. They are follow-up studies of the people who come out of the courses that we have provided. We will know from these studies, and our plan is to have a continuing program of follow-up studies so that we have in effect a continuing feed-back of information on what happens to the people we put through training. But we do not have any information of this kind at this time.

Mr. Yewchuk: Do you have any information with regard to how many students start and then drop out of the programs or quit for one reason or another?

• 1210

Mr. Francis: We have some sketchy information on this. It will be better shortly. The information we have at the moment is that the drop-out rate is of the order of 25 per cent, but I emphasize that this is sketchy information. What we have been trying to do is to compare the drop-out rate under the programs we have now with the situation that existed under the old program, the previous shared-cost program, and our information is that there has been a very considerable improvement. One would expect that there would be an improvement because one of the big differences in the programs was on the training allowance front. The training allowances provided on the new program are much bigger, much larger and broader, so one would expect that the drop-out rate would be lower. Our information suggests that previously it was 50 per cent, but now it is somewhere in the vicinity of 20 to 25 per cent.

Mr. Yewchuk: This is certainly an improvement. It is still a fairly high drop-out rate. I

was wondering whether you had any opinions on why the drop-out rate is so high and whether you think that possibly it may be a matter of approach used. I want to back this up by stating that I think you have indicated you are prejudiced by giving these people special privileges when they do not show up to work in paying companies anyway for the difference. I appreciate the reason for doing this, but I maintain that this in itself, giving a man more chances than you would give a white man for keeping his job, is really a form of prejudice and I do not know whether this is a good thing or not.

Mr. Francis: Mr. Chairman, I said that we were doing a couple of experimental projects in which we were trying to see how we could cope with the problem of dealing with people, and I am not talking only of people of native ancestry when I say this at all. I am dealing with people who are not oriented towards an industrial environment and a wage or salary working situation. This is a much broader problem than just those of native ancestry, and we are doing a couple of experimental projects to find out what are the best ways of bringing forward people in these kinds of situations and helping them to function effectively in an urban industrial type of environment. We do not have a general policy to this effect at this time.

Mr. Yewchuk: I am wondering whether the various NewStart programs that are being operated across the country are under your Department.

Mr. Francis: No, they are under the Department of Forestry, what is to be the Department of Regional Development. They were transferred to that Department.

Mr. Yewchuk: Then there is not anobody here who could give me information on approaches used in setting up these training programs and so on?

Mr. Francis: Under the NewStart corporations, no, there is not. I do not think so.

Mr. Yewchuk: I am asking this, Mr. Chairman, because the NewStart program I am familiar with. Even though it is for everybody, it is used almost exclusively for people of native ancestry. I wanted some information as to who sets the approach used in setting up training programs, what kind of consultations are held with the people involved, and whether it is uniform throughout the country or whether you are using different approaches in different provinces and that sort of thing.

The Chairman: Could Mr. MacDonald answer that?

Mr. MacDonald: Mr. Battle probably could comment on it but I do not know whether we really should. We know about it. We are considering certain applications of it, but to endeavour to explain it on behalf of other people I think would be a rather hazardous occupation.

Mr. Yewchuk: Thank you, Mr. Chairman.

The Chairman: Gentlemen, we have completed our questioning of Mr. Francis. I would like to thank you very much, Mr. Francis, for being with us and for the information you have given us about your Department.

Two people have indicated that they have questions for the Department itself—Mr. Simpson and Mr. O'Connell—but before we get to Mr. Simpson and Mr. O'Connell I have indicated that we will hear from two witnesses, Mr. Beaulieu and Mr. Charlie.

Mr. Beaulieu, do you have any comments you would like to make on the employment of Indians, native people?

Mr. Isaac Beaulieu (Secretary Treasurer, Manitoba Indian Brotherhood): I hope that you were not over-crowding the people. I see so many Manitoba MPs sitting here. I cannot really speak on behalf of the National Indian Brotherhood except to thank the Committee for asking us to join the meeting.

• 1215

However, what I say will apply throughout and not only to Manpower, if I use that because it is most immediate to the Indian Affairs Branch. The most interesting thing, of course, is the question of co-operation. I was very glad to hear of the co-operation with the Indian Affairs branch of Manpower and vice versa in the Labour Department, but my heart stopped beating when he stopped there. When we do have Indian organizations, we have Indian people and everything like that. There was no statement of co-operation, or even a question of consultation.

I cannot really talk about these questions without my wall of expertise that would sit on that side, I suppose. Incidentally, I was

just roughly calculating that the income of that wall represents something like three times the annual budget of the Manitoba Indian Brotherhood. The question of co-operation, I think, is one on which we are most sincerely committed to our people in Manitoba.

You will excuse me if I mention Manitoba all the time because this is what we are familiar with, and I think that is the question which will lead into my familiarity with the province. I do not know how many times I heard the witness mention the words "we are unaware of the situation". We are, gentlemen, aware of the situation in Manitoba. All there is to do is to ask us about it, including New Start Corporation, even though it is not yet in Manitoba.

We also heard the attitude or the feeling that there is a lack of expertise among our people. Why do you not ask us? We have been studied so much, you know. I think we are becoming the most experts on Indians. This is the kind of thing we can do as an organization. We have the feeling of support from the Manitoba Indians. There are 32,000 of them. We have band council resolutions to satisfy the bureaucratic method. There is not one resolution which says that they do not sponsor the Manitoba Indian Brotherhood. Ninety per cent of the bands did present a resolution saying they sponsored the Brotherhood. To us personally these resolutions are meaningless, but they apparently carry weight elsewhere.

The information, as I listen to people giving it, is referred to as being sketchy, and it is said that we do not know the facts behind it. The only thing that I can say is that we do know the facts behind it in the Manitoba Indian Brotherhood, and in the Alberta Association, and in any one of those organizations. Why do people not ask us? We are organized to facilitate government agencies, not to fight them. I think this is one of the things that we want to stress very much, that with the form of organization we have, we can give this kind of information.

• 1220

Consider, for example, things like relocation programs. In Manitoba recently they had a program of relocation. Before the program was under way they asked us what we felt about it and we said, "You are doing the same old thing that has been done in various places, even places where films were made up", but they said this was different. Today, six months later, out of twenty families only two are still in Winnipeg. And they said, "What happened?" The only thing we could tell them is, "Why do you not speak to us much further and much clearer and have us participate right at the initial stages of the program?"

Experimental projects. Gentlemen, for one hundred years we have been here and you are still running experimental projects. This is the kind of thing that I wonder about. I am sure some of the things that you have been doing have been experimental projects for the past hundred years. It is time you recognized certain things about the Indian organizations. It is that we have expertise. You talk about industrial participation. There is a technical advisory council in the Manitoba Indian Brotherhood consisting of thirty people in Winnipeg who are from industry, commerce, government, and the Indian people themselves. We have no problem co-operating with industry, because we do not co-operate merely as Indians, but we co-operate as people interested in the development of the Province of Manitoba. As I said, this also would apply in a general situation in Canada.

Really this is my only comment: that we are there—particularly in Manitoba and, I am sure, in other provincial organizations and the federal organization—to facilitate the work of the government where it affects our people. For a long time we have sat in the background. For a long time we have watched this operation going. For a long time we have watched these experimental projects. For a long time we have helped in studies about us. I think most Indians have a Ph.D. in Sociology by now because they seem to provide all the answers to PhD. theses on us. These are some of the things that I would like to bring to your attention—that we are not sleeping in our communities; that we are not any more going to watch these experimental projects, these studies and this information that is lacking. We have the information; we will give it and we will help. We want to make abundantly clear that we are organized to do this. We are not organized to fight anybody. Somebody once told me—a friend of mine from the United States—that "The Indians are the only people that lost to

the United States and never benefited from it". We do not want the same situation here in Canada. We want to feel, and we want you to feel that we are organized so that we can facilitate better relationships, better co-operation right down the line. I would ask you, gentlemen, to do your share of the game. Thank you very much.

The Chairman: Thank you very much, Mr. Beaulieu. I hope, Mr. Beaulieu, in fact I am sure that Mr. Francis, representing the Manpower department and Mr. MacDonald, representing Indian affairs will remember your words about consultation. Mr. Charlie.

Mr. Charlie: I hope you will excuse any nervousness I might show; it is the first opportunity I have had to talk to a committee such as this and to such high ranking officials.

Most of the provinces in Canada seem to be well represented here. The Yukon is not. I do not know how aware you are of the situation up there.

Mr. Cullen: Excuse me, I might say that Mr. Nielsen is a member of this Committee, and the Yukon is well represented by him.

•1225

Mr. Charlie: I just wondered as I did not see him here. These are comments concerning the report made by Mr. Francis. In the Yukon, mining has come into the picture in the last few years, and it has brought the Yukon itself in the Canadian picture. We have the problem that the Yukon has not had treaties signed by the Indians in respect of the land that these mines are developing on. Perhaps if there had been treaties it might have been land that the Indians did own up until now. There is no benefit at all for the Indian people. There have been a few examples where Indian settlements, in the Whitehorse area in particular, where industries such as mining liked this part of the land, have had to move, with no say at all because they have no title to the land.

There have been recommendations about getting these Indian people involved in different projects such as prospecting. I feel that you would have to do more than that since we have no title to this land and it has been taken for the benefit of mines and what not. You have to offer these people more than just being prospectors for some company, or being labourers or cat operators.

Also, we have a vocational school in Whitehorse which is very good, and we have had a lot of Indian students attending and graduating from there. We had a representative down from the Dawson City area at a conference on revisions to the Indian Act at which briefs were presented. The representative from Dawson City stated that there was discrimination in that some of the students who graduated from a vocational course were not able to get jobs. These students, in the first place, had the gumption to enter this course. I know a lot of people feel right now that Indians should not be employed because they are not reliable. A lot of them are not sure. But these young people, as I said, showed interest in the first place in taking the course and made a start and ought to be given the opportunity to prove themselves on the job.

Another thing is trapping. A lot of the recommendations concerned industrial development. This is all right for the younger Indian people, but for the older ones, a lot of them are used to a life of trapping; they have lived it for years and they cannot change all of a sudden. It is too much of a change for them. A lot of them, I feel, would be too old to just go back and be re-educated. I do not know if this ties in with your work and whether these older people can be given some benefit to assist them in their trapping and such.

A lot of these Indian people now are moved from areas where they have lived for years. Since the Alaska Highway came through a lot of white people have come up to the Yukon. The younger Indian children have to go to school, so automatically they are taken away from their parents and sent to a boarding school maybe two or three hundred miles from their homes where they can only see their parents two months out of a year. Just recently they have realized that this is not a good thing. So now they have a system where they have the children staying at home and attending school in the community.

I will give you an example. In Pelly Crossing, between Whitehorse and Dawson City, they have a very bad problem there of drinking and crime amongst the Indian people. I feel this is mainly because these people were moved from another area called Minto, 30 miles away from there. These people have lived in that area for years, hunting and trapping and fishing out of the river. Now the are

moved to this other area and it is pretty hard for them if they want to go hunting and trapping to trek back 30 miles, because a lot of them do not have vehicles and to walk down by foot is quite difficult. They were taken away from this environment that they had been used to and they do not have anything else in this other community. Naturally if you are bored you turn to drinking. From lack of things to do a lot of pressures develop that drive these people to drinking.

Also, it has been mentioned that there is a project to build a dam on the lower part of the Yukon River near the Alaska border in the Alaskan territory itself. This would have an effect on the salmon when it comes up the Yukon River. In the summer a lot of Indian people depend on fishing as a livelihood, and if this dam is built it will cut off the salmon. Again another way of life will be taken away from these people and you are going to have more problems developing from that.

In the Yukon itself fishing plays a large part in the summer. A lot of Indian people catch salmon for food; if they catch a lot of it, more than they can use, they give it away to friends. In the Yukon there is no commercial fishing licence permitted. I do not know why, but I feel it should be because a lot of these Indian people do catch more than they can use and this would be a source of income for them.

Mr. Dinsdale commented on the Friendship Centre, and the wish that they be brought into the picture of employment of the Indian people is a great idea. We have one up in the Yukon, but we are not doing too well right now because we do not have any fund from the Citizenship Department, as you mentioned. We do not have a fund for that. At present we are about ready to give up because we are having financial difficulties. He mentioned that that is the problem in most of the other friendship centres, but it is really a greater problem in that area. We are applying right now for a grant, but things are going rather slowly and unless something happens soon we are going to have to close down. This friendship centre in Whitehorse has been a very bright thing for the Indian people. It is something for them too look forward to and it is something that could be developed further, but it would be drastic I feel if it were forced to close down. Also, I do not know how much co-operation there is between the band councils of the different reserves and your Department, but in the past the Whitehorse Band council have tried to start different projects to earn income for the community, and they made some good decisions and advanced great ideas and put them forward to the Department of Indian Affairs and Northern Development, which sent them to Ottawa, I believe, but after that they did not hear anything about them. Things were passed two or three years ago that have not been acted upon yet. This is causing the Indian people up there to lose a lot of faith in that Department. I think that is all I have to say. Thank you.

• 1230

The Chairman: Thank you very much for your remarks, Mr. Charlie. We have half an hour left, so I ask members in further questioning of officials of the Department of Indian Affairs and Nothern Development to limit themselves to five minutes on the first round and then if we have time we will come back to anyone who has additional questions. Mr. Simpson, did you have a question?

Mr. Simpson: No.

The Chairman: Mr. O'Connell?

Mr. O'Connell: I am prepared to wait.

The Chairman: I am afraid this will be your last chance before Christmas, Mr. O'Connell. On Thursday we have Panarctic Oils Limited. On Friday we have oil leasing policy. Next Tuesday we also have oil leasing policy. It may well be that you will not have too much of an opportunity to get back on this subject.

Mr. O'Connell: That is three sessions on oil?

The Chairman: That is right. We are going to have a full three and perhaps four hours on Thursday. We will sit from 9.30 until 1 o'clock, so we may get through more than we expect. We will have three witnesses from Calgary, so I assume it will take us most of Thursday morning. Do you have a question, Mr. Simpson? I would like the members to limit themselves to five minutes.

Mr. Simpson: Thank you, Mr. Chairman. I will be as brief as possible. As I started to say a while ago, this is a matter that was only brought to my attention in detail yesterday. It was mentioned, I believe, some three weeks ago. However, it was followed up yesterday.

This question relates to some people in Ottawa—and I am sure the Department is quite familiar with this—who are operating an Indian crafts shop. Apparently there is a large file of correspondence here, but the matter I would like to bring up is that at this particular time they find they are unable to carry on because of a lack of funds. They have asked the Department for a grant in order to continue this work. Apparently they are receiving and selling a considerable amount of Indian handicraft and they believe that unless they get some assistance they will have to close down, and possibly close down any day now. They are wondering why they have not been able to get an answer. They originally brought this matter up through correspondence by way of a request that the gentleman in question, Mr. R. L. Plourde, be allowed to carry on some adult education at the Lac Rapide community. There is a lot of correspondence on that. Eventually that request was turned down, but they opened this shop some time in September and they have been carrying on business ever since. I am told the Department of Indian Affairs and Northern Development officials have all of the details on how this grant would be used to carry on this business. My understanding is that they do not have sufficient capital to take merchandise from the Indian people and pay them for it, and they do not feel they should take these goods on consignment and not be able to pay for them until they are sold. They would like to know why the Department has taken so long to give them a yes or no answer. Naturally they are very desirous of getting an affirmative answer, but if after investigation it is not approved, then they would like to know why it has not been approved. I do not think that is too much for them to ask. I wonder if anyone present knows anything specifically about this case? If not, I would greatly appreciate it if the Deputy Minister could have the officials look into this matter and see if they cannot get an answer on this situation within the next 24 hours, because apparently this has been hanging fire since sometime in September. I may be wrong when I say sometime in September, but it has been hanging fire for some considerable time. The shop was opened in September and it was shortly after that they asked for a grant to carry on.

• 1235

The Chairman: Do you have any comments, Mr. MacDonald?

Mr. MacDonald: Yes, Mr. Chairman. This must be speculative, because I do not know anything about the particular case. I do not have any of my officials with me who are familiar with that area—which is the handicraft or small business side of it—but if there has been a delay in answering I could speculate and say that it would be related to the nature of the problem, because I suspect we do not have authority to make a grant to a non-Indian for a normal commercial enterprise. As you can well imagine, there have to be some limitations around what we as a government department can do and we have to live within the four corners of that. However, I assume this would be an enterprise for which we would have a great deal of sympathy because it is an outlet for Indian handicraft material. If there has been a delay I would speculate that it is because people are trying to find a solution. That often accounts for some delays. They try to explore several avenues. However, having just said that, then I agree with Mr. Simpson and I will endeavour to find an answer for him within a very short period of time.

Mr. Simpson: The names of the people are Mr. and Mrs. R. L. Plourde, and they operate the Indian Handicraft Centre at 318 Bank Street. I think I am quite correct in saying that Mrs. Plourde is of Indian ancestry. She told me that...

• 1240

Mr. MacDonald: Of course, our statutory authority covers registered Indians and we do not have the capacity to sustain ordinary commercial enterprises even though we may have an enormous amount of sympathy for this particular one. However, the thing I should do is to get the facts right away, and I will do so.

Mr. Simpson: Very good.

The Chairman: Are there any other questions?

Mr. Dinsdale: Mr. Chairman, as I look around I see that we are down to less than a quorum. I see four Conservatives and one Liberal. I think the Government members need the greater enlightenment. It is a problem whether we should continue on or not. I have one or two questions relating to education and this is a very important area. You

say this is our last opportunity to pursue these matters?

The Chairman: Mr. Dinsdale, the steering committee decided it was impossible to cover all aspects of the Department of Indian Affairs and Northern Development. We concluded that under the circumstances the best solution would be to try to study one or two topics in each area in depth. We felt the job situation was the most pressing, and that is why we went into this particular problem in greater detail than is the usual practice in committee. As we have a few minutes left, perhaps we could finish off with some questioning in this area. I think we have to be realistic as far as these estimates are concerned. The money has been spent. If we hope to be useful as a committee we will have to get into some detail and perhaps come up with some recommendations. As a committee we may have some recommendations to make about the job situation, and this will be discussed in the steering committee and referred back to this Committee on the day which we have set aside for the preparation of our report, which I believe will be the 10th or the 12th of this month. If you want to ask questions on education, go right ahead. I think, Mr. Dinsdale, you appreciate what we are trying to do. We are not being all that formal about it, but we would like to produce some results.

Mr. Dinsdale: Yes. Under the circumstances I will just very quickly state my questions. There has been encouraging progress made in recent years in the field of education. Perhaps if I were to state the three points I have in mind Mr. Davey could comment on them. This will be satisfactory for my purposes, and I trust it will be satisfactory for the Committee. I would say that the school integration program has been moving forward quite rapidly and successfully, and I would like Mr. Davey to comment on that aspect of the educational development. As far as I know, no major problems are emerging. The children are fitting in nicely with the regular community schools. I do not know if it is something which is organized, but in my constituency I have had a whole rash of complimentary letters from principals who have these students in their classes. There are so many coming in that it almost seems to be an organized campaign, but it is interesting to have these principals commenting favourably on the program.

The second matter that has been of recent concern to me is the course content for isolated schools, particularly those schools in the Northwest Territories and the yukon. I know that studies have been going on for a number of years with a view to making the course content conform to the day-to-day experience of the young people in the North, and I would like to know what progress is being made in this regard. The final matter—and this was brought out by Mr. Charlie just a moment ago—is the old technique in the North of isolating children from their parents for long periods of time. We thought this was controlled many years ago by the establishment of a cottage system within the community. What progress is being made in this regard?

Mr. R. F. Davey (Director, Education Branch (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, to start with Mr. Dinsdale's request for a general comment, I can only agree with him that the progress has generally been quite good. I do not mean by this that there are no problems, there very definitely are. The young people have problems of adjustment to living in an urban situation coming, as many of them do, from rural surroundings. This is not a problem that is only peculiar to Indians. I am advised that even at the universities those students who come from rural areas find it much more difficult to adjust than those who have an urban background. Some of these problems are under investigation, and I made reference to some of these studies at the last meeting which I attended. The preliminary figures suggest that in this year we will achieve the greatest influx of Indian children into the provincial systems of any year, which is evidence that the Indian parents too believe that this is a better program than having their children educated in segregated schools.

To speak about the course content, the schools which have operated south of the 60th Parallel in our opinion have not had sufficient content dealing with the cultural background of the Indian people, and we have taken some steps to improve this to which I made reference at the last meeting also. Rather than speak of the north which is an area with which I am not very familiar, having only had some responsibility for this in the last

couple of months, I would prefer to leave Mr. Simpson to speak on that particular topic.

• 1245

The third matter raised by Mr. Dinsdale related to the isolation of Indian children from their homes through the use of hostile facilities by the boarding homes and similar arrangements. Once again it is interesting to note that for the first time that I can recall, the enrolment in what we formerly called the residential schools has declined. These are preliminary figures but the indication is that the enrolment in these institutions has declined by about 500 out of a total enrolment of some 9,000. So in this area I believe we are moving in the right direction too.

I hope that in saying that I am not creating the impression that I am satisfied that we are moving as fast as we should. We are certainly not, but we are trying to speed up various methods of reducing the rather traumatic experience which young people cannot help but experience when they are removed from the environment with which they are familiar and placed in an environment which is alien to them.

One of the methods that we are using—Mr. Dinsdale has referred to one of them—is the use of the small cottage dormitory in the community. We have started to use more extensively Indian homes in their own communities as boarding places for the children of parents who are perhaps migratory workers and who, for other reasons, have to be placed in foster homes or in foster care. These are some of the new things that are taking place.

These are some of the directions in which we are moving, and I would ask Mr. Simpson to speak specifically about the program in the north.

Mr. Dinsdale: Could Mr. Simpson also comment on the other problem that arises from time to time—the treatment of Indian history and Indian culture in history texts and course content? Or may be that is your reponsibility.

The Chairman: I think that topic, Mr. Dinsdale, if I am not mistaken, came up last week.

Mr. Dinsdale: That is fine.

Mr. D. W. Simpson (Assistant Director, Education Branch (Social Affairs), Department of Indian Affairs and Northern Development): To follow up on the question of numbers of children in isolated areas attending pupil residences for ten months of the year and being separated from their homes, I think I could give you some data that would indicate that this problem is lessening. Whereas when you were Minister there were a large number of the children—I would say approximately 1,500 children out of about 4,500 total enrolment—in large pupil residences, today we have about the same number of pupils in pupil residences but we have 9,700 children in school. In other words the total enrolment has more than doubled in that period of time but the residence enrolment has not grown. As a matter of fact, I have a suspicion it has decreased. Looking at the composition of that enrolment I think is revealing, because just in the past year we did a survey and we discovered that practically all the children now going into the large pupil residences are 12 years and over. So the residences have become a place for older children who wish to pursue their education into secondary school, and only those from the most isolated camps still have to go to residences for elementary school.

• 1250

This policy of placing schools in the settlements has worked quite successfully, not only from the standpoint of giving them school facilities near their homes, but also of rapidly increasing the proportion of the people who are coming to school. So I think from that standpoint we are quite encouraged. The small pupil residence we thought was an answer, but with the movement into the urban settlement the numbers have not been required to any great extent. So they are going into the settlements in their own homes and there are a avery small number, only 13 actually, of the small pupil residences in the north, that is, north of the 60th Parallel and northern Quebec.

The Chairman: I might draw your attention to the fact that we have only a short time left and that there are other members of the Committee who may want to ask questions. If there are no other members who wish to ask questions, we will allow Mr. Dinsdale to proceed over his time limit.

Mr. Dinsdale: Mr. Chairman, I have finished my questions. I was just going to make the comment that Mary Carpenter would be happy about that.

Mr. D. W. Simpson: Yes. There was a second part to your question. I believe it concerned what progress was being made with adaptation of materials or production of materials to closely identify with the Indian and Eskimo people and also with the environment in which they live. There has been a continuing production of these materials, not as fast as we would like. We embarked upon a project to produce a basic reading series. I read just a few days ago that one of the publishing companies in the United States says that it costs about $1 million to produce a basic reading series, and I think this helps to explain why there has been criticism of the use of "Dick and Jane" books. These things cost money. Like the bumblebee, we did not know that we could not fly so we tried to fly anyway and we have been trying to produce this. It is more costly than we thought. We have two books produced. We have another edition that we hope to put out in colour. The costs are quite high, but they are definitely produced on the local environment and on the local culture for the Eskimo pupils.

We have had a number of books related to the teaching of English as a second language for these children who come to school without any knowledge of the English language. These are mainly books for the teachers, to give them a scientific approach to the teaching of English in this particular specialized environment.

There have been other types of books as well, and I think one of the areas in which we have made great progress, not related to publications but which does help to relate to the education in the local situation, is the use of indigenous people as classroom assistants. We now have over 40 in the north in the classrooms helping the teachers in their duties to relate to these children who come from a completely different culture and environment.

The Chairman: Thank you, Mr. Simpson. Mr. Simpson, do you have a question?

Mr. Simpson: I do not suppose the Department can project far enough ahead to see the day when residence schools will pretty well be done away with. Is it possible to do that?

Mr. D. W. Simpson: I think it would take a complete revolution in the living and the development of the northern part of the country, the far north at least, before you could do away with them completely, because they seem to me to provide the type of educational facility needed for secondary school pupils in this day and age. Many options are needed and you have to have a large number together to justify the erection of a school and the assembly of staff with specialist knowledge, and to meet that need I think will require them to be brought together in a central place. It is not like in the south where you can bus them in 20 or 30 miles and get that number together. In the north I think we will always have to fly them in. I should not say always, but in the foreseeable future.

• 1255

Mr. Simpson: I should have mentioned that I meant within the provinces. I know you would have the same problem, possibly. People living in the very small isolated communities do not justify the construction of a school, but has there been any thought given to bringing these people out of the small communities as you do now and in some way, possibly by providing residences for them, integrating them into public school systems?

Mr. R. F. Davey (Director, Education Branch (Social Affairs), Department of Indian Affairs and Northern Development): Mr. Chairman, if I might be permitted a comment on that, the role of these so-called residential schools is changing fairly rapidly. In 1945, immediately following the Second World War, this was the most common method of educating Indian children. At that time there were—I am not sure that my memory will support me here but I believe there were about 9,000, about the same number in 1945 as there are today, but the Indian school population has grown from 16,000 to over 65,000. So that now the bulk of the Indian children are receiving their education while living at home.

Immediately following the war the schools were used primarily as welfare institutions, and with the extension of provincial welfare services to Indian communities—this is particularly noticeable in southern Ontario where the need for a residential school has almost been eliminated by the extension of the Children's Aid Society services to the Indian communities, and this will continue—these institutions are now becoming residences to provide accommodation for youngsters coming

out for secondary education. This is becoming increasingly their role.

Unfortunately many of these institutions are in remote areas and they will just have to be abandoned. Already we are closing them. In 1945, there were approximately 76 residential schools; today there are 62, and we anticipate closing four at the end of the current fiscal year.

The Chairman: Are there further questions? I have a couple for you, Mr. Davey. I notice your figures on teacher training. You have 27 Indian students taking teacher training this year. Are you, as Director of the Education Branch of the Department of Indian Affairs, doing something specific to encourage more Indian students entering the teaching profession?

Mr. Davey: Yes, Mr. Chairman, we are, in two respects. Mr. Simpson has already made reference to the use of young Indian women as teacher aids. We hope that this will serve as a means of motivating young Indians, particularly Indian women, to enter the teaching profession. It is a source of regret to me that out of, I think, 150 that we record at the university level, only 27 are in faculties of education. The problem is twofold: first of all of motivation and secondly of raising the academic level of the Indian student population. Maybe I can indicate how this has changed since 1945. In 1945 there was a fraction of 1 per cent of the Indian school population at the secondary school level and the number was in the neighbourhood of a hundred.

Today, during the last academic year there were just under 6,000.

•1300

The Chairman: What was the percentage of the total?

Mr. Davey: The percentage of the total school population is roughly 11 per cent.

The Chairman: What percentage of the secondary school age Indian children are in secondary school?

Mr. Davey: I am sorry I cannot answer that question.

The Chairman: Of the 6,000 Indian students in secondary school, I notice that your 1967-1968 figures show that there are 1,932. I presume that they are all in secondary school, or in vocational courses. Is that right?

Mr. Davey: That is right.

The Chairman: I notice that your figures show 156 Indian students in university. Since very few of the Indian students appear to be going on to university, why are there so few in vocational training?

Mr. Davey: The answer to that question is twofold. First of all I am not sure that the figure of 1,932 that is quoted represents the total number in high school who are registered in those courses. Those are all that we have records of, but we are dependent upon the provinces to provide this information to us and we have some difficulty in getting the information from some of the schools.

The second thing is that because a number of the Indian students at the secondary school level are over the normal age for the grades that they are in, many of them are anxious to get into courses that will provide them with vocational skills. And so, in addition to that number there are a further 2,000—2,081 I think is the figure—in vocational training courses, but not high school.

The Chairman: Putting it another way, do you have any statistics on how many Indian students are leaving school, either as graduates or drop-outs, to enter the labour force or to enter the prospective labour force without any additional training, vocational or university? They are not going to university; therefore I would like to know how many are dropping out or leaving school and going on to the job market without vocational training.

Mr. Davey: I cannot give you specific figures, but I can give you an indication. Approximately 5,000 leave the school system every year and of that number there are about 4,000 who are receiving some kind of vocational training.

The Chairman: Of the 5,000 that leave or drop out, 4,000 are getting some kind of vocational training.

Mr. Davey: That is right.

May I correct the statement I have just made. The number of 4,000 in vocational training includes some who have been out of school for some time and I cannot give you a breakdown of those who left at the end of June and went into the labour market at that time.

The Chairman: The point which is obvious here which I am trying to make is simply

that still too many are leaving school; more than should be the case. These students are eligible for one thing only and that is unemployment.

Mr. Davey: That is correct.

The Chairman: Do you have further plans to improve your vocational training system?

Mr. MacDonald: This, Mr. Chairman, surely is the study of the drop-out. In fact, this is a very real problem, one that concerns us very greatly, and Mr. Davey is conducting special studies in this. It goes into the whole environment—housing, family, as well as the individual student. The drop-out rate is excessive; it has been falling but still is way above average and a matter of great concern.

Mr. D. W. Simpson: Mr. Chairman, I think I could add something about teacher training as far as the north is concerned. We realize that one of the problems to overcome with these people who have been such a short time in school is that of senior matriculation examinations, which sometimes act as a very distinct barrier to Indian and Eskimo and Metis children.

• 1305

This year in the Northwest Territories we have embarked upon a pilot teacher training project, taking students one year below this level where they would not have to try this examination. We have 17 being trained at Yellowknife at the present time.

We disagree with placing people in the teaching profession if they are going to be substandard and have no way of getting out. But this is a five-year project in which, over the course of five years, they will arrive at full teacher training by participating in summer courses and upgrading so that they will have the equivalent of a provincial degree and will be able to go anywhere they wish.

The Chairman: Thank you, Mr. Simpson. I have a couple of other questions, if the Committee will bear with me for another minute or two. I would like to know from Mr. MacDonald what the oil companies who receive leases from the federal government in the Northwest Territories and the Arctic generally are doing as far as employing or attempting to employ Indian and Eskimo labourers. We have heard that Panarctic Oils Limited is doing something. Do you have any information on any of the other major companies such as the Société Nationale des Pétroles D'Aquitaine and all the large American companies? Are they making any effort whatsoever?

Mr. MacDonald: I do not think we would say that we are satisfied that the effort is what it should be, and that was the reason for my meeting with the industry, components of the industry, in Calgary two weeks ago. We have got assurances from them that they will make a very determined effort. We are going to provide them with the identification of the people available so that they can make the appropriate plans, including plans for training.

The Chairman: You mentioned, Mr. MacDonald, that you had met with the Independent Petroleum Association of Canada which, I presume, is a group of Canadian petroleum companies.

Mr. MacDonald: No, I am sorry, sir. I met with the directors of the Canadian Petroleum Association, the Independent Petroleum Association and the oil well drilling contractors, three of those which collectively constitute the industry as majors and independents.

The Chairman: I questioned Mr. Francis about private industry participation increasing the number of Indian people who are employed in Canada. Has your department any specifically new projects in this regard?

Mr. MacDonald: Yes. I have talked to the Committee before about the various things we are doing and the agreements we are making with the resource industries. I think Mr. Battle could elaborate on an interesting new possibility that we are working on at the present moment.

Mr. Battle: Mr. Chairman, these discussions that are going on with respect to this new approach are still being handled in some confidence and I would not want to name the firms that we are dealing with. But what we are attempting to arrange is to enter into contract with a large business concern under which they would undertake training programs and relocation programs serving Indian people in various parts of the country. If we enter into this arrangement it will be on a pilot basis and will affect probably one or two provinces in the beginning, but in effect what it amounts to is bringing industry into the

area of providing a service which at the present time normally government provides. We hope that as a result of this we will make some breakthroughs.

The Chairman: Thank you, Mr. Battle. Are there further questions, gentlemen?

Mr. Simpson: I neglected to say when I was talking about that craft shop to Mr. MacDonald that I would appreciate if it whoever is asked to look into this would get in touch with these people directly, because I certainly do not want to be the intermediary carrying messages.

• 1310

The Chairman: Relating to trapping, has your Department given any consideration to the support of fur prices or to some way of indirect support of the trapping industry?

Mr. Battle: The matter of providing some form of subsidy has been discussed within the Department, not in any conclusive way, Mr. Chairman, because it involves a number of departments and agencies, so that I cannot be very specific on that point.

In the trapping field the extent to which we have been able to provide help is in the form of advances to enable some of these people to get out on their trap lines and stay out on their trap lines and to help them get equipment for this purpose. But even with all of this kind of assistance trapping still seems to be a pretty precarious kind of livelihood.

The Chairman: Thank you. A motion for adjournment? Mr. Simpson, seconded by Mr. Marchand.

APPENDIX "I"

Answers to questions asked at previous meetings.

1. **Mr. Laprise** Nov. 19, 1968

Relocation—Indians of Nemaska

This settlement is on the Rupert River about 70 miles east of Rupert House. There are approximately 25 Indian families but during the trapping and fishing season only one or two families stay at the Post. They are originally of the Waswanipi and Rupert House Bands.

The Hudson's Bay Post which is near Lake Evans is closing for a number of reasons, such as depreciation of their buildings; difficulty in having acceptable staff; high cost of air freight. In addition, the Matagami Indian Fishing Association at Matagami meets all merchandise needs of these Indians during the fishing season. This deprives Hudson's Bay Co. of considerable business.

In June 1968, members of the Abitibi District field staff visited Nemaska to obtain the views of the Band members and Council concerning relocation to other areas. A Band Council Resolution dated May 29, 1968 indicates that some members are prepared to be relocated to Rupert House and some to Mistassini. They imposed conditions such as the payment of transportation and proper dwellings.

The Indians seem divided on what their plans should be. As indicated, some have stated that they would like to transfer to the Mistassini Band, some with the Rupert House Band. There are still a number of Indians that have not made up their minds. The Department at this stage, is reluctant to exercise any pressure on this group to relocate elsewhere and it is felt that the decision should come from them.

Negotiations with the Indians are still going on as to their relocation. Hudson Bay will not close their operation until June 1, 1969.

2. **Mr. Southam** Nov. 19, 1968

Indian Act Consultations—Mr. Howard Adams

Dr. Adams, a Metis, claimed to represent about 25 Indians living in Saskatoon and asked to speak for them at the Regina meeting September 16-20.

The Official Indian delegates at the meeting decided that Dr. Adams could voice his opinions on Wednesday afternoon, September 18, 1968. This he did and his comments will appear in the official minutes of the meeting. These minutes are in the process of being prepared and as soon as they are printed they will be made available to the members of the Standing Committee as well as to all others who desire a copy.

3. (a) **Mr. Simpson** Nov. 19, 1968

List of Welfare Rates

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT
SOCIAL ASSISTANCE RATES
AS OF
July 1, 1968

The schedules of Departmental social assistance indicate the maximum amounts available to Indian persons who have no financial resources.

The amount of food and clothing assistance provided a destitute family may be readily calculated from these schedules when the ages of the children are known.

Much more detailed information on the circumstances and resources of a family unit are required to determine the exact amount of assistance for which a family may be eligible in accordance with social assistance regulations in each region.

DEPARTMENTAL SOCIAL ASSISTANCE RATES
MARITIMES

Food

	per month
First Adult	26.00
Second Adult	17.00
Additional Adult	17.00
Child under 12 years	13.00

Prescribed Special Diets
Actual cost

Clothing

	per month
First Adult	10.00
Each additional person	5.00

Shelter

	per month
Rental—Rural	40.00
Urban	60.00

Fuel and Utilities

Actual cost

Household and Personal Incidentals

	per month
First Adult	6.00
Second Adult	4.00
Child under 18 yrs. not receiving an allowance	2.00
Each additional person over 18 yrs.	2.00
Maximum per family unit	15.00

Special Needs

As required

Room and Board

	per month
Private home:	
1 person ... actual cost up to	80.00
couple .....actual cost up to	120.00

Emergency placement—actual cost

Institutional placement (adults)—actual per diem maintenance rates and $15.00 comfort allowance.

DEPARTMENTAL SOCIAL ASSISTANCE RATES QUEBEC

Food

	per month
Head of Household	30.00
Spouse—or any dependents 18 years and over	20.00
Children under 18 yrs. (up to 8 children)	15.00
Any additional child	10.00

Clothing

	per month
Each person	5.00

Shelter

Actual cost

Fuel and Utilities

Actual cost

Room and Board

Actual cost

DEPARTMENTAL SOCIAL ASSISTANCE RATES ONTARIO

Pre-added Budget
(includes food, clothing & personal incidentals)

	per month
One Adult	$ 47.00
Two Adults	80.00
Two Adults & 1 child 0-9 yrs.	99.00
Two Adults & 1 child 10-15 yrs.	107.00
Two Adults & 1 dependent (16 yrs. & over)	112.00

Adjustments

For families of seven or more children for each additional person ADD:

	per month
Each person over 16 yrs.	36.00
Each child 10-15 yrs.	31.00
Each child 0-9 yrs.	23.00

Prescribed Special Diets

	per month
Pregnancy	5.10
Gastric	5.10
Diabetic	10.30
Other	Actual Cost

Shelter

	Heated per month	Unheated per month
Single	$ 43.00	$ 43.00
Couple	85.00	75.00
Adult & 1 dependent	85.00	75.00
Each additional dependent	5.00	5.00

Fuel and Utilities

Fuel

Allowance calculated on basis of style of house, number of rooms, season of year and cost of fuel.

Utilities

	per month
Single person	$ 8.00
Each dependent	1.00
Maximum	12.00

Household Supplies

Monthly maximum per household	7.00

Room and Board

Private Home

	per month
1 Adult	85.00
Couple	130.00
Private Home	
First child	45.00
Second child	40.00
Each additional child	30.00
Hostel	Actual Cost
	max. per day
Nursing Home	7.50

Supplementary Aid

For recipients of governmental allowances to meet shelter costs	20.00

DEPARTMENTAL SOCIAL ASSISTANCE RATES

MANITOBA

Food

	per month
Each adult	26.00
Each person 15-19 yrs.	30.00
Each person 12-14 yrs.	27.00
Each person 7-11 yrs.	22.00
Each person 4- 6 yrs.	18.00
Each person 0- 3 yrs.	16.00

Adjustments

	per month
Single person (alone) add	5.00
Two persons add	6.00
Three persons add	1.00
Each person in excess of 5 deduct 2.00	
Recipients resident in remote areas, add up to 25%.	

Prescribed Special Diets

	per month
Post T.B.	39.18
High protein	39.18
High Vitamin	39.18
High Calorie	39.18
Ulcer II	40.10
Ulcer III	38.77
Bland	38.77
Smooth	38.77
Low Fat	29.90
Diabetic	24.03 to 38.04
Other	Actual cost

Clothing

	per month
Each Adult	5.00
Each Child 12-17 yrs.	6.00
Each Child 7-11 yrs.	5.00
Each Child 0- 6 yrs.	4.00

Shelter

	per month
Rental—Single person living alone	up to 25.00
Two adults living together	up to 40.00
Family	up to 55.00
Licensed Elderly Persons Housing	actual cost

In special circumstances maximum may be exceeded by an amount up to $10.00 per month.

Fuel and Utilities

Fuel	per month
Single	15.75
Family (rooming)	15.75
Family (in a house)	20.00
To meet actual costs a grant of $50.00 may be paid.	
Recipients resident in remote areas	Actual cost

Utilities	per month
Water, light and cooking	7.50
If required additional	7.50

Personal and Household Incidentals

	per month
Single Person	10.00
Single Person (in family)	5.00
Single Person (in Institution)	5.00
Single Person (boarding)	7.00
Family (1 Adult)	10.00
Family (2 Adults)	15.00

Adjustments

	per month
Blind person	5.00
Socially active	7.00
aged and infirm persons in institutions	

Special Needs

As required

Room and Restaurant Meals

	per month
Single persons	70.00

Room and Board

	per month
In Relatives' home without special care	
Single person	actual cost up to 50.00
Couple	actual cost up to 90.00
In Relatives' home with special care	
Single person	actual cost up to 85.00
Couple (one requires special care)	actual cost up to 120.00
Couple (both require special care)	actual cost up to 15.00

Room and Board (cont.)

	per month
In Private Boarding Home without Special Care	
Single person actual cost up to ..	65.00
Couple actual cost up to	110.00
In Private Boarding Home with Special Care	
Single person actual cost up to ..	100.00
Couple (one requires special care) actual cost up to	140.00
Couple (both require special care) actual cost up to	175.00

In Licensed Institutions—approved per diem rate.

DEPARTMENTAL SOCIAL ASSISTANCE RATES SASKATCHEWAN

Food

	Per Month
Each Adult .....$	26.50
Children 0-4 yrs.	14.50
Children 5-9 yrs.	21.00
Children 10-14 yrs.	26.00
Children 15-19 yrs.	28.00

Adjustments

Single person add .....$	2.00
Two persons add	1.00
Four persons deduct	5.00
Each additional person deduct	3.00

Varying percentage reductions where home grown produce is available.

Prescribed Special Diets

Actual Cost

Clothing

	Per Month
Children 0-4 yrs. .....$	5.00
Children 5-9 yrs.	6.80
Children 10-14 yrs.	7.50
Children 15-19 yrs.	8.00
Children 20 yrs. & over	10.00

Fuel and Utilities

Fuel

Rates range from $3.00 to $4.50 for cooking fuel; heating allowances range from $7.00 to $24.50 in accordance with the seasons.

Utilities

Water and electricity rates range from $2.20 to $7.00 according to geographic location.

Household and Personal Incidentals

Personal

	Per Month
Adult .....$	3.25
Adult (Boarding)	10.00
Children 0-4 yrs.	.45
Children 5-9 yrs.	.60
Children 10-14 yrs.	.85
Children 15-19 yrs.	1.75

Household

	Per Month
1-2 persons .....$	1.60
3-4 persons	2.45
5-6 persons	3.75
7-9 persons	4.40

Special Needs

As required.

Room and Restaurant Meals

	Per Day
Room .....$	3.00
Meals—Breakfast	.85
—Dinner	1.25
—Supper	1.25

Room and Board

	Per Month
Single (Adult) .....$	60.00

	Per Day
Children 0-9 yrs.	1.40
Children 10-15 yrs.	1.55
Children 16-21 yrs.	1.70

Licensed Nursing and Special Care Homes (Adults).

	Per Month
Supervisory Care .....$	180.00
Comfort Allowance	15.00

DEPARTMENTAL SOCIAL ASSISTANCE RATES ALBERTA

Food

	Male Per Month
Adult living with others	$ 27.60
Adult living alone	33.10
Adult living alone with inadequate cooking and refrigeration facilities	36.80

	Female Per Month
Adult living with others	$ 24.00
Adul living alone	28.70
Adult living alone with inadequate cooking and refrigeration facilities	31.90

	Per Month
Married Couple	$ 51.50

	Male Per Month
Children under 1 year	$ 13.60
1- 3 yrs.	13.90
4- 6 yrs.	14.80
7- 9 yrs.	19.60
10-11 yrs.	20.80
12-15 yrs.	26.20
16-20 yrs.	32.50

	Female Per Month
Children under 1 year	$ 13.60
1- 3 yrs.	13.90
4- 6 yrs.	14.80
7- 9 yrs.	19.60
10-11 yrs.	20.80
12-15 yrs.	25.20
16-20 yrs.	26.20

Adjustments

Family of Two—
Increase by 10% or increase by 15% if inadequate cooking and refrigeration facilities.

Family of Three—
Increase 5%
IF one member is an infant increase 10%.
IF inadequate cooking and refrigeration facilities increase 10%.
(IF there is an infant—increase 15%).

Family of 4, 5 or 6—No Adjustment.
Family of 7 or more persons—deduct 5% from food.

Make deductions for home grown produce.

Prescribed Special Diets

Diabetes	$ 6.40
Ulcer	6.30
Low Calorie	3.25
High protein	8.00
Gluten Free	7.50
T.B.	8.00*
Pregnancy	6.40†
Restricted Sodium	3.75

* Upon discharge.
† Last 3 months only.

Clothing

	Male Per Month
Adults	$ 8.00
Children under 1 yr.	$ 4.30
Children 1-2 yrs.	5.90
Children 3-6 yrs.	6.80

	Female Per Month
Adults	$ 9.00
Children under 1 yr.	$ 4.30
Children 1-2 yrs.	5.90
Children 3-6 yrs.	8.30

	Per Month
Married Couple	$ 17.00

	Male Per month	*Female* Per month
Children 7-12 yrs.	8.60	8.40
Children 13-16 yrs.	10.50	10.70
Children 17-20 yrs.	9.10	8.70

Adjustments

For family of 7 or more persons—deduct 5%.

ALBERTA (Cont.)

Shelter

Average community rents based on an acceptable standard for health and decency.

Fuel & Utilities

The amounts of payments vary with the regional type of energy used.

Personal & Household Incidentals

Personal

Male	8.00 per month
Female	10.00 " "
Family	25.00 " "

Household

$5.00 per month per family unit.

Special Needs

Actual Costs—as required.

Room & Board

Ages of Children	*Allowances Per Day*
0- 1 yr.	.60
1- 3 yrs.	.70
4- 6 yrs.	.80
7- 9 yrs.	.90
10-12 yrs.	1.00
13-15 yrs.	1.20
16-18 yrs.	1.30

Adults—

Private Boarding Home	Actual Cost
Nursing Home	8.00 per day
Comfort Allowance	15.00 per month

Welfare Homes

Unemployment single men (Youngstown)	2.00 per day
Comfort allowance	15.00 per month
Unmarried Mother	3.00 per day
Unmarried Mother & Child	4.00 per day

Senior Citizens Homes

Single occupancy bedrooms	80.00 per month
Double occupancy bedrooms	70.00 " "
Self-contained housekeeping Units—Single	40.00 per month
—Double	50.00 " "

DEPARTMENTAL SOCIAL ASSISTANCE RATES
BRITISH COLUMBIA

Persons	*Food*	*Fuel, Clothing & Sundries*	*Shelter*
1	35.00	10.00	30.00
2	60.00	20.00	45.00
3	70.00	30.00	50.00
4	85.00	35.00	55.00
5	100.00	40.00	60.00
6	110.00	50.00	65.00
7	120.00	60.00	70.00
8	130.00	70.00	75.00
	(add $10.00 for each (additional member) (over 8)	(Add $10.00 for each (additional member) (over 8)	(Add $5.00 for each (member over 8; in) (cases of hardship) (add $10.00 for 2 or) (more)

Prescribed Special Diets

Ulcer	6.00
Bland	5.00
Diabetic	3.50
Reducing	2.50
High protein	9.00
High Calorie	9.00
Tuberculosis	7.50
Pre-natal	5.00

Special Needs

as required.

Room & Board

Child (with relatives)	45.00 maximum
Boarding Home care—	
Adults	3.95 per day
	120.00 per month
Private Hospital Care—	
Adults	8.05 per day
	245.00 per month
Comfort Allowance	16.00 per month

DEPARTMENTAL SOCIAL ASSISTANCE
RATES
YUKON

Food

(including Household Sundries)

	Area (1) Whitehorse, Carcross Teslin, Carmacks, Haines Junction, Burwash. Monthly	Area (2) Dawson City, Mayo, Pelly Crosing, Old Crow, Watson Lake, Ross River. Monthly
Unit 1	$ 45.00	$ 50.00
2 (adult(s) and/or child)	70.00	80.00
3 (adult(s) and/or child(ren)	85.00	96.00
4 (adult(s) and children)	100.00	115.00
5	115.00	130.00
6	125.00	144.00
7	130.00	150.00
8	135.00	156.00

Adjustments (1) For each additional child after Unit 8 add $15.00 per month in Area (1) and $23.00 per month in Area (2).

(2) An additional $10.00 per month may be granted for persons requiring a special diet or with a history of tuberculosis, on recommendation of attending physician.

OTHER BASIC ESSENTIALS (CLOTHING, SHELTER, FUEL, ETC.) AVAILABLE ON BASIS OR NEED AT ACTUAL COST.

DEPARTMENTAL SOCIAL ASSISTANCE RATES
NORTHWEST TERRITORIES

03.02 6. Scale of Maximum Monthly Grocery Allowances

SCALE 1

Age Group 0-5 years	Age Group 6-11 years	Age Group 12-16 years	Age Group Over 16
$10	$15	$20	$25

Cape Dorset Povungnituk

SCALE 2

$15	$20	$25	$30
Eskimo Point	Fort Chimo		Churchill
Poste-de-la-Baleine	Pangnirtung		Rankin Inlet
Lake Harbour	Baker Lake		Fort Smith
Pt. Burwell	Chesterfield Inlet		Yellowknife
Whale Cove	Pt. Harrison		Hay River
Belcher Is.	Frobisher Bay		Fort Simpson
			Tuktoyaktuk

SCALE 3

$20	$25	$30	$35
Repluse Bay	Arctic Bay	Clyde River	Pond Inlet
Sugluk	Resolute Bay	Coral Harbour	Wakeham Bay
Payne Bay	Ivujivik	Ft. George	Inuvik
Broughton Is.	Igloolik	Grise Fiord	

SCALE 4

$20	$30	$35	$40
Coppermine		Cambridge Bay	

OTHER BASIC ESSENTIALS (CLOTHING, SHELTER, FUEL, ETC.) AVAILABLE ON BASIS OF NEED AT ACTUAL COST.

3. (b) **Mr. Simpson**

Indians and Eskimos employed

(i) *Indians*

	Teachers	*Others*	*Total*
Martimes	3	29	32
Quebec	12	47	59
Ontario	83	83	166
Manitoba	9	49	58
Saskatchewan	35	47	82
Alberta	6	30	36
B.C. & Yukon	11	40	51
Ottawa H-qtrs	1	25	26
	160	350	510
			510

In addition there are 33 "enfranchised" Indian persons working in the Branch. Also there are in excess of 150 "Casual" Janitors employed on a part-time basis at Indian Day Schools throughout Canada.

A large number of projects are undertaken on Reserves where Indian residents are employed for work periods lasting from 2 or 3 weeks to several months. A survey (30-9-68) has established that in this category, a total of 2500 man-years are involved with a total expenditure of $7,500,000 for fiscal year 1968-69.

(ii) *Eskimos*

There are 715 Eskimos employed by the Federal Government. They are located as follows:

Arctic Quebec	110
Frobisher Bay	219
Keewatin	220
Mackenzie District	166

Mr. Watson—November 28, 1968.

The number of Indian and Eskimo children in vocational schools

The total number of students in various grades enrolled in vocational courses in 1967-68 was 1,932.

The above number does not include Indians and Eskimos registered in post-school vocational programs. The number for this group was 2,390 in 1967-68.

Mr. Watson—November 28, 1968.

What encouragement is private industry giving for training programs?

Training by private industry can be broken down into two broad categories.

A. *Training individuals*

Under the Training or the Job program individuals can be placed in employment

with private industry and the industry compensated for the training by the Department contributing to a maximum of 50 per cent of the wages for a maximum of 52 weeks. During the fiscal year 1967-1968 a total of 104 persons were enrolled in this type of training at a total cost to the Department of $51,763.68. The average cost per trainee was $497.72. The program is now being expanded to include other federal government departments.

B. *Group Training*

Where an industry or the Department can identify a particular skill as being in demand and arrangements can be made for the training to be provided the Department will participate to the extent required to assist in involving Indian people in the training. This usually involves a joint effort on the part of the Department of Manpower, the industry, the provincial Department of Education, and the Department of Indian Affairs and Northern Development.

Mr. Dinsdale

Brandon Handicrafts—November 28, 1968.

Indian people together with people of Indian ancestry, are taking training in handicrafts at Brandon. The project is jointly administered by the Indian Friendship Centre, the Brandon Chamber of Commerce, and West Man (a regional industrial development organization).

The Chamber of Commerce and West Man have suggested that the Department give a grant to the project. Regional officers of the Department have expressed the view that before further increases in Departmental funds are allocated the Chamber of Commerce and West Man carry out a study to determine the feasibility of the project, and the overall financial and planning needs of the program. This is now being discussed by the group.

The Department is now paying rental of the building and the cost of the instructor.

Meanwhile, the Department's Regional officers will consider paying for the cost of the study.

Mr. Simpson

Number of Loans—November 28, 1968.

Since inception in January, 1939 a total of 2,299 loans were approved.

During the last complete fiscal year (1967-68) 153 loans were approved.

Since the beginning of the current fiscal year we have approved 107 loans.

The total amount available in the Revolving Fund is $2,400,000. The Department has requested Treasury Board authority for an increased of $400,000 during the current fiscal year.

The only monies available for loans at this time come from repayments on existing loans (approximately $25,000 per month.)

Mr. Simpson

Land Improvements on Peguis and Fisher River Reserves—November 28, 1968.

In 1968-69 budget provides $81,000 for major land improvements (clearing, breaking, fencing and drainage, on Peguis and Fisher River Reserves. Further capital support in the amount of $39,500 is available to equipment, building and the purchase of livestock. The total earmarked for these two Reserves during the current fiscal year is therefore $130,500. In addition more than $200,000 in loans have been made to farmers in this Agency.

This program is designed to continue at a slightly higher level ($160,000—$182,500) during each of the next five years.

From 1964 to 1967 we spent approximately $100,000 mainly on drainage.

In 1968-69 a total of 6,000 acres has been cleared and broken, as follows:

Fisher River — 1,300 acres
Peguis — 4,000 acres
Lake St. Martin — 600 acres
Lake Manitoba — 100 acres

A further 2,500 acres was included in the program but could not be completed because of wet weather. The clearing will be done this winter, after the ground has frozen and breaking will be completed in 1969.

In 1968, $40,000 has been spent on drainage affecting about 35,000 acres in this Agency.

The problems encountered in 1968 because of unusually wet weather will result in a need to make adjustments in programs but any short range adjustment made on this account will not affect the general conduct of the five-year program.

As a result of the FRED study of the Interlake area, a number of activities have been initiated. A complete explanation of FRED activities could, no doubt, be obtained from the Honourable Jean Marchand, Minister of

Forestry and Rural Development, whose Department administers that program.

A number of Indian people have received technical training, etc. as a result of Manpower programs arising out of the recommendations of the FRED study.

The ARDA agreement provides for Fisher River drainage which will be a main part of the area drainage works. This has not yet been carried out.

ARDA has not been involved in land clearing and breaking or other major land improvement on the reserves.

Mr. Simpson—November 28, 1968.

Road Program on Reserves

The main objective of the Department in respect of road construction programs has been to overcome the isolation of Indian reserves by the provision of improved roads on reserves and access roads to facilitate movement between Indian and non-Indian communities, attendance of children at reserve schools and their participation in off-reserve school programs, the commuting of Indian people to and from centres of employment and the development and marketing of reserve resources.

There is approximately 3,450 miles of roads on Indian reserves which may be classified as follows:

No. miles internal road—paved, 85
No. miles internal road—gravel, 2,287
No. miles internal road—dirt, 1,078
No. of miles of road—all types—constructed during 1967-68, 335
Target—No. of miles of road—all types—1968-69, 342
target—No. of miles of road—all types—1969-70, 350

The total budget for roads on Indian reserves for 1968-69 is $4,023,000. The forecast for 1969-70 is $4,034,000.

Mr. Borrie—November 29, 1968.

What facilities are provided to Indian Students attending provincial schools?

I *Students resident on Reserve or Crown Land*

Students in this category, approximately 21,768 usually live with parents or close relatives and attend provincial schools in adjacent communities.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; for those who reside more than one mile away from school
3. text books; in areas where they are not furnished free by the school board
4. expendable supplies; e.g. scribblers, pencils, etc.
5. miscellaneous expenses; e.g. locker fees, activity fees, student council fees, etc.
6. clothing; if parents qualify for welfare assistance, clothing for their children is provided through that program
7. lunches; in some areas distance from home and economic circumstances necessitates noon lunches
8. counselling services; where they are not provided by the community

The policy of Indian Affairs is generally stated that the inclusion of Indian children in a provincial school system will not place an additional burden on rate payers of the district. Therefore those expenses that are normally covered by local taxes are paid for by Indian Affairs on behalf of the Indian student.

The only item in the above list that is paid for all students in this category is tuition. The remaining six items are paid for some and not for others depending on circumstances. All however are considered as charges against the Department's budget when authorized by regulations.

II *Students living in hostels and attending provincial schools*

Approximately 3,800 are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; from his home to the hostel and return in the spring
3. daily transportation; where required
4. full maintenance; room, board, and clothing
5. text books; in areas where they are not furnished free by the school board
6. expendable supplies; e.g. scribblers, pencils, etc.
7. counselling services;

III *Students living in private boarding homes and attend provincial schools*

Approximately 2,800 students are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; to the boarding home in the fall and return in the spring

3. daily transportation; if becessary

4. text books;

5. expendable supplies;

6. room and board; to extent required

7. clothing allowance; to extent required

8. money; for incidental expenses to extent required

9. counselling services;

SUBJECT

Assistance provided to Students Enrolled in Post School Programs

Assistance to students in this category is provided to cover the following items:

1. tuition;

2. transportation; to the training centre and return to extent required

3. text books;

4. counselling services;

5. tools, equipment, uniforms, etc.; to extent required

6. room and board;

7. daily transportation; where required

8. expendable materials;

9. incidental expenses;

These items are paid only when students are required to live away from home during training

To cover items 6, 7, 8 and 9 a per diem rate of $4.00 per day has been established. This money is paid directly to the student and where convenient an amount to cover text books may also be provided directly to student or parents.

In the case of married students, allowances are based on the manpower scale established for each province and, therefore vary from region to region. These rates are affected also by the number of dependents but a maximum would be approximately $82.00 per week for married trainees.

Mr. Simpson—November 29, 1968

How many are at university?

Teacher Training	27	
Nurses' Training	42	1967-1968
University	156	
Total	225	

Where are there provincial schools on reserves?

Provincial schools are operated on the following reserves or in Indian communities

British Columbia—none

Alberta—Fort McKay, Fox Lake, Jean D'Or, Boyer River, Driftpile, St. Paul's Blood Reserve Kindergarten only, Garden Creek, Wood Buffalo Park.

Saskatchewan—Patuanak, Beauval, Montreal Lake, Red Earth, Shoal Lake, Pelican Narrows, Southend (Reindeer), Black Lake, Fond du Lac, Lac la Ronge, Deschambault, Sturgeon Landing, Wollaston, Stanley Mission, Turnor Lake

*Manitoba—not available at this moment

Ontario—Roseneath, Bear Island, Moose Factory Island,

Quebec—Ecole de Romaine, Winneway, Hunter's Point, Rupert's House, Fort George

*Maritimes—not available at this moment

Manitoba—Anama Bay, Berens River, Wanipigow, Norway House, Barrows Junction, Brochet, Crane River, Gods Lake Narrows, Grand Rapids, Moose Lake, Pelican Rapids, South Indian Lake, Ebb and Flow, Fairford.

*Information requested from the field.

Mr. Borrie—November 29, 1968.

What facilities are provided to Indian students attending provincial schools?

I *Students resident on Reserve or Crown Land*

Students in this category, approximately 21,768 usually live with parents or close relatives and attend provincial schools in adjacent communities.

Facilities provided include:

1. tuition; in lieu of taxes

2. transportation; for those who reside more than one mile away from school

3. text books; in areas where they are not furnished free by the school board

4. expendable supplies; e.g. scribblers, pencils, etc.

5. miscellaneous expenses; e.g. locker fees, activity fees, student council fees, etc.

6. clothing; if parents qualify for welfare assistance, clothing for their children is provided through that program

7. lunches; in some areas distance from home and economic circumstances necessitate noon lunches

8. counselling services; where they are not provided by the community

The policy of Indian Affairs is generally stated that the inclusion of Indian children in a provincial school system will not place an additional burden on rate payers of the district. Therefore those expenses that are normally covered by local taxes are paid for by Indian Affairs on behalf of the Indian student.

The only item in the above list that is paid for all students in this category is tuition. The remaining six items are paid for some and not for others depending on circumstances. All however are considered as charges against the Department's budget when authorized by regulations.

II *Students living in hostels and attending provincial schools*

Approximately 3,800 are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; from his home to the hostel and return in the spring
3. daily transportation; where required
4. full maintenance; room, board, and clothing
5. text books; in areas where they are not furnished free by the school board
6. expandable supplies; e.g. scribblers, pencils, etc.
7. counselling services;

III *Students living in private boarding homes and attend provincial schools*

Approximately 2,800 students are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; to the boarding home in the fall and return in the spring
3. daily transportation; if necessary
4. text books;
5. expandable supplies;
6. room and board; to extent required
7. clothing allowance; to extent required
8. money; for incidental expenses to extent required
9. counselling services;

SUBJECT

Assistance Provided to Students Enrolled in Post School Programs

Assistance to students in this category is provided to cover the following items:

1. tuition;
2. transportation; to the training centre and return to extent required
3. text books;
4. counselling services;
5. tools, equipment, uniforms, etc.; to extent required
6. room and board;
7. daily transportation; where required
8. expendable materials;
9. incidental expenses;

The items 6 to 9 inclusive are paid only when students are required to live away from home during training.

To cover items 6, 7, 8, and 9 a per diem rate of $4.00 per day has been established. This money is paid directly to the student and where convenient an amount to cover text books may also be provided directly to student or parents.

In the case of married students, allowances are based on the manpower scale established for each province and, therefore vary from region to region. These rates are affected also by the number of dependents but a maximum would be approximately $82.00 per week for married trainees.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

OF

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, DECEMBER 5, 1968

ALISTAIR FRASER,

The Clerk of the House.

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development). *From Panarctic Oils Limited:* Mr. J. M. Taylor, President; Mr. J. M. Godfrey, Vice-president.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29403—1

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, DECEMBER 5, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development). *From Panarctic Oils Limited:* Mr. J. M. Taylor, President; Mr. J. M. Godfrey, Vice-president.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29403—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,	Howard (*Skeena*),	Nielsen,
Borrie,	Laprise,	O'Connell,
Buchanan,	Lessard (*Lac Saint-Jean*),	Orlikow,
Cullen,	Marchand (*Kamloops-Cariboo*),	Simpson,
Dinsdale,	[1]McKinley,	Smerchanski,
Duquet,		Southam,
Forget,		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Gundlock on December 5, 1968.

ORDER OF REFERENCE

THURSDAY, December 5, 1968.

Ordered,—That the name of Mr. McKinley be substituted for that of Mr. Gundlock on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29403—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, December 5, 1968.
(9)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.43 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Dinsdale, Durante, Duquet, Gundlock, Howard (*Skeena*), Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Smerchanski, Southam, Watson, Yewchuk—(15).

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development). *From Panarctic Oils Limited:* The President—Mr. J. M. Taylor, Vice-President and General Manager, Canadian Pacific Oil and Gas Company, Calgary, Alberta; the Vice-President—Mr. J. M. Godfrey, Land Manager, Dome Petroleum Limited, Calgary, Alberta.

On motion of Mr. Borrie, seconded by Mr. Smerchanski, it was

Agreed,—That reasonable travelling and living expenses be paid to Messrs. J. M. Taylor and J. M. Godfrey, both appearing before the Committee on December 5, 1968, to Dr. A. Thompson, appearing on December 6, 1968 and to other outside witnesses who might be asked to give evidence before the Committee on December 6 and 10, 1968.

The Chairman called the following item listed in the Revised Main Estimates for 1968-69, relating to the Department of Indian Affairs and Northern Development:

20—Northern Program—Administration, Operation and Maintenance, etc. $40,466,300

The Chairman introduced the officials from the Department of Indian Affairs and Northern Development and from Panarctic Oils Limited.

In answer to questions raised in the course of previous meetings, Mr. MacDonald tabled the following documents, for distribution to members of the Committee:

Relocation—South Indian Lake, Manitoba. Election Problem—Garden River. "Indians and the Law".

Mr. MacDonald gave an outline of the Panarctic project. He referred to the following documents, copies of which had been distributed to members of the Committee:

Statement prepared by the Department of Indian Affairs and Northern Development.

Office Consolidation of the Canada Oil and Gas Land Regulations, Oil and Gas Land Orders, Public Lands Grants Act, Territorial Lands Act.

Monthly Oil and Gas Report—October 1968.

Statement re Panarctic Oils Limited to the House of Commons—by the Honourable Arthur Laing, Minister of Indian Affairs and Northern Development—Tuesday, December 12, 1967.

Mr. Taylor made a statement pertaining to Panarctic Oils Limited.

During the questioning which followed, Mr. MacDonald, Dr. Woodward, Mr. Taylor and Mr. Godfrey answered questions.

At 11.10 a.m., the Committee agreed to take a ten-minute recess.
On re-assembling, the questioning resumed.

It was *agreed* that an article published in the *Montreal Gazette* of December 3, 1968, headed *Canada's Arctic effort praised,* be made an appendix to the Minutes of Proceedings and Evidence of this day's meeting. (*See Appendix "J"*)

The Chairman thanked the witnesses for their appearance before the Committee.

At 12.45 p.m., the Committee adjourned to the call of the Chair.

Fernand Despatie,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, December 5, 1968

• 0944

The Chairman: Gentlemen, the meeting is called to order.

In accordance with the expressed desire of the steering committee, approved by your Committee, we have invited to this meeting representatives of Panarctic Oils Limited and we have a procedural matter to clear up at the start. The President and the Vice President of Panarctic Oils Limited are entitled to reasonable travelling and living expenses. Could we have a motion to the effect that reasonable travelling and living expenses be paid to Mr. Taylor, Mr. Godfrey and Mr. Thompson, as well as any other witnesses who are to appear before the Standing Committee on Indian Affairs and Northern Development on December 5 and 6, and next Tuesday, December 10.

Mr. Borrie: I so move.

Motion agreed to.

The Chairman: I will now call Item 20.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Northern Program

20 Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advance in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Government of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs, $40,466,300.

The witnesses this morning from the Department of Indian Affairs and Northern Development are, Mr. J. A. MacDonald, Deputy Minister; Mr. J.-B. Bergevin, Assistant Deputy Minister; and Dr. H. W. Woodward, Chief, Oil and Mineral Division, Development Branch.

• 0945

From Panarctic Oils Limited we are very pleased to have with us today, Mr. J. M. Taylor, President, Vice-President and General Manager of Canadian Pacific Oil and Gas Company, and Mr. J. M. Godfrey, Vice-President and Land Manager, Dome Petroleum Limited. These gentlemen have come all the way from Calgary to meet with us and we have arranged that this Committee will sit until 1 o'clock today so that we can have sufficient time to...

Mr. Gundlock: What do you mean, "we", Mr. Chairman?

Mr. Chairman: We will put you on first as far as the questioning is concerned, Mr. Gundlock.

I will first call as our witness, Mr. J. A. MacDonald, Deputy Minister, Department of Indian Affairs and Northern Development

who will give us a brief outline of the Panarctic concept and what they have accomplished to date.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Before I begin, with the permission of the Committee may I table some further replies to questions that members have asked on previous questions?

Some hon. Members: Agreed.

Mr. MacDonald: Mr. Chairman and members of the Committee, I appear this morning in a dual capacity as Deputy Minister of the Department which has responsibility for the programs and the involvement of the government in the Panarctic oil venture and as the Government Director on the Board of Directors of Panarctic Oils.

I would like to give a very brief outline of the Panarctic project. Committee members have been provided already with graphs and detailed material concerning the project. I believe this has been circulated to members. I can do no better at this point than paraphrase and quote from the statement made by the then Minister, the Honourable Arthur Laing, when he announced the formation of the company to the House in December, 1967.

By way of background we have pointed out that geologists have considered for many years that the Arctic Islands area represents probably the most attractive remaining unexplored oil basin in the world. I might mention that this statement and thesis was advanced prior to the Prudhoe Bay discovery. This now appears to be very much old hat but at that time it was less of an accepted doctrine. The conclusion of the geologists was based on the presence of extensive sedimentation, oil sands and other indications of hydrocarbons.

To develop this area, the Government of Canada has joined with 20 leading Canadian oil and mining companies to form an exploration company called Panarctic Oils Limited. Initial financing was for $20 million over a three-year period and will include a $9 million share by the government. In return for this 45 per cent participation in exploration costs, the people of Canada, through the government, will hold the equivalent 45 per cent share of the preferred and common shares to be issued. The government's share has been budgeted for within the existing five-year program for northern development.

Panarctic has acquired over 44 million acres of oil and gas permits in the islands, representing control over 63 per cent of the Arctic lands regarded as potentially oil and gas bearing. Several million dollars have already been invested by the original permit holders for surface geological and geophysical work, and for a limited deep drilling program. Without Panarctic, these interests would have been lost through their inability to finance further exploration.

Panarctic field operations began with a seismographic survey in the spring and initial deep drilling is scheduled for this winter. At least one well will go down in the 1968-69 winter season, and the three-year program will involve extensive geological and geophysical surveys with a plan for seventeen wells comprising nine deep tests, six medium depth wildcats, and two shallow tests.

• 0950

Although Panarctic's permits cover only petroleum and natural gas rights, exploration will be directed also towards sulphur, metallic minerals and other natural resources. As owner of the mineral rights in the Arctic Islands, the government will receive its normal fees and rentals on exploration rights, and royalties on production.

All shareholders have equal priority in providing additional capital when and if required. Should the program be extended and the exploration investment raised to $30 million or more, the government retains the option of extending its interest on a pro rata basis. In addition, special provisions in the agreements empower the government to control the transfer of shares and therefor the degree of Canadian ownership and control.

Because of its substantial investment, the government is represented on the Board of Directors by me and has the power to elect additional directors in proportion to its 45 per cent equity. At present there are 12 directors representing the private sector shareholders. Provision has been made for a fourteenth director to represent the holders of permits farmed out to Panarctic.

The management of Panarctic is the function of qualified technical and other experts engaged by the private sector companies. The corporation competes with the many non-government companies in its field and has no special status because of its governmental affiliation.

The discovery of oil in this area could conceivably change Canada's role ultimately from that of a net importer of oil to that of a net exporter with all the consequent benefits to our balance of payments position and our economic well being. These new oil reserves would represent an addition to the oil reserves of the Western world in a time of increasing demand. Marketing of any new oil found in Canada would take place within the framework of co-operation which has characterized our relationships with our major trading partners in this and other areas.

It is gratifying that this Canadian resource potential will be assessed by Canadians and that majority ownership will rest with Canadians. Without government participation the proposed company would have been 56 per cent owned by Canadians; with government participation it is now 76 per cent. Should the full $30 million program be completed, the non-resident interest in these lands in question would be less than 20 per cent.

It is a unique project. It brings together a large number of interests in the private sector on one hand and the government on the other capable of effecting under one organization the economies so necessary in the North. Only through the introduction of viable new industry can a real future be established for the native population of the Arctic and people attracted into the North to live and work.

On the basis of experience to date I can testify to the success of the arrangement, to the harmonious relationships that have prevailed between government and industry in carrying out this project and the contribution that private industry has made to it. That is all, Mr. Chairman.

The Chairman: Thank you, Mr. MacDonald. Do Committee members have any questions for Mr. MacDonald or would you like to hear from the other witnesses? Mr. Gundlock?

Mr. Gundlock: May I just ask one question? Can you name the companies involved?

Mr. MacDonald: Yes, I can name a large number of them. We have, of course, Canadian Pacific Oil and Gas Limited, Cominco Limited, Bankeno Mines Limited, Thor Exploration Company Limited, Campbell Red Lake Mines Limited, Sigma Mines (Quebec) Limited, Canadian Gridoil Limited, Conick Petroleums Limited, Canadian Nickel Company Limited, Noranda Mines Limited, Bow Valley Industries Limited, Bocadel Oil Corporation, Dome Petroleum Limited, Dome Mines Limited, Scenic Oils Limited, Anticline Petroleums Limited, Excel Petroleums Limited, Eagle Ridge Petroleum Limited, Eric Connelly, and Canadian Industrial Gas and Oil Limited.

Mr. Badanai: I have a supplementary question, Mr. Chairman.

I would like to ask if the Canadian Pacific Oil and Gas Limited is a subsidiary of the Canadian Pacific Railway?

Mr. Smerchanski: Mr. Chairman, could we get a copy of Mr. MacDonald's brochure as a matter of information? Would there be any objection to that? That is, the participants. I think it would be...

• 0955

The Chairman: All of these were circulated to the members.

Mr. Smerchanski: All right, Mr. Chairman.

The Chairman: Mr. Taylor, I have a question from Mr. Badanai.

Mr. J. M. Taylor (President, Vice President and General Manager, Canadian Pacific Oil and Gas Company, Calgary, Alberta): Mr. Chairman, Canadian Pacific Oil and Gas Limited is a subsidiary of Canadian Pacific Investments Company which, in turn, is a subsidiary of the Canadian Pacific Railway.

The Chairman: Mr. Cullen.

Mr. Cullen: The Canadian Nickel Company Limited, as I understand it, is a wholly-owned subsidiary of International Nickel Company.

Mr. Taylor: That is correct.

Mr. Cullen: Second, as I understand its terms of reference it is predominantly an exploration form of company rather than a development company, or are they in both fields now? Once the exploration is over is their work terminated or will they carry on with the development aspect as well?

Mr. Taylor: They undoubtedly will carry on with the development, not just exploration.

Mr. Cullen: As Canadian Nickel Company Limited?

Mr. Taylor: I cannot answer that question. It would appear that would be so, yes.

The Chairman: Mr. Smerchanski, do you have a question for Mr. MacDonald? If we are going to proceed with Mr. Taylor and Mr.

Godfrey I think we should ask them to make initial statements and then we will proceed to question them.

Mr. Smerchanski: I would like to ask Mr. MacDonald a question. I did not quite understand. How many wells are planned for 1968?

Mr. MacDonald: One; possibly two more.

Mr. Smerchanski: How many are planned for 1969?

Mr. MacDonald: This will be in 1969.

Mr. Smerchanski: I see. Has one actually been drilled yet?

Mr. MacDonald: No; we will be starting approximately March of next year.

Mr. Smerchanski: So you are planning to drill three wells in 1969. Is that correct?

Mr. MacDonald: Possibly three wells.

Mr. Smerchanski: Depending on the results of those, how many are you planning for 1970?

Mr. MacDonald: That program has not been determined yet. That will be determined as the progress of the seismic and other materials are assessed.

Mr. Smerchanski: You also mentioned, Mr. MacDonald, that we are a net importer of oil at the present time. In terms of barrels, what is this per annum?

Dr. H. W. Woodward (Chief, Oil and Mineral Division, Development Branch, Department of Indian Affairs and Northern Development): In dollars I know about $200 million is the net difference between what we export and what we import, so at about $3 a barrel that would be about 700,000 barrels.

Mr. Smerchanski: Mr. MacDonald, is this imported primarily into the eastern market?

Mr. MacDonald: Yes.

Mr. Smerchanski: Thank you.

The Chairman: Mr. Howard?

Mr. Howard (Skeena): Mr. Chairman, I wonder if I could ask Mr. MacDonald what is the position of the Canadian government with respect to the Board of Directors of the company?

Mr. MacDonald: With respect to...

Mr. Howard (Skeena): With respect to the Board of Directors of Panarctic Oils Limited.

Mr. MacDonald: The position of the Canadian government with respect to the Board of Directors is that the government has the right to appoint 45 per cent, its pro rata share of the directors. However, by stated intention at the time, which was to maintain its position as a reserve power, it indicated that it would appoint only one director at the beginning.

It was desirous at the time of securing the initiative and leadership of private industry in this field for the exploration work. At the moment there is one director appointed, namely me, but at any time the government has the right to appoint others.

Mr. Howard (Skeena): Up to 45 per cent of the total, I take it.

Mr. MacDonald: Yes, its pro-rata share.

Mr. Howard (Skeena): This would mean a displacement if the government takes up that option.

Mr. MacDonald: It is either a displacement or an enlargment, I forget which.

Mr. Howard (Skeena): Or an enlargement.

Mr. MacDonald: Yes, but it has complete authority to call a shareholders meeting and have this election.

• 1000

The Chairman: Perhaps we can call on Mr. Taylor to give us a bit of his background as far as Panarctic Oils Limited is concerned. I think the Committee would be interested, Mr. Taylor, in learning just how the concept evolved as far as you and your Company are concerned and your view of the concept your forecast of Panarctic's future. We will let you make a statement and then we will question you.

Mr. Taylor: Mr. Chairman, I think you are all familiar with the history of Panarctic, how it arose originally under the initiation of Dr. Sproule who originated the idea of putting together many of the permits which were held by individuals or individual companies. At that time there was very little chance that those individual companies would have developed those permits. However, as time went on he had some difficulty in raising the money to start this program, but with the help of the government he did get it very close to being financed.

Our companies, the two companies involved, Cominco Limited and Canadian Pacific Oil and Gas Limited, were two of the original subscribers to his idea, and when he did run into difficulties in financing this thing we stepped in and underwrote the other financing, that is, the financing other than the government. This enabled the thing to get off the ground.

We finally did put the thing together and Panarctic Oils Limited was formed, but I think it is important to know that without the government's help from the beginning it is doubtful if anything like Panarctic could have got off the ground in anything like the time that it has crystallized now. So certainly much credit is due to the government's foresight on this thing.

As far as our companies are concerned, I cannot speak for them all, but the ones that did participate in it obviously had the same idea that we shared the government's optimism on the potential of the area and were willing to put our money into this thing and develop it because with the potential it is rather an exciting prospect. Certainly, geologically there is no doubt that it has much potential. As to whether it has any hydrocarbons in the formations is a matter we have to find out. But it is rather an exciting prospect and the development of the area by Canadian companies and money is, we feel, one of the important things that we have done.

I think the alternative would have been really nothing. It would have lain there for many years and nothing would have happened. The Company has been in operation now for a year, and despite the difficulties, we have had a successful program in our first year of operation. We have shot over 600 miles of seismic, and the results of that program are still being evaluated. They do appear to be interesting enough to justify our original optimism.

Our present plans are, as has already been said, to move the first drilling rig up in March and we hope to drill the first well shortly thereafter. We are laying plans for starting two other wells in 1969.

The Chairman: Mr. Cullen.

Mr. Cullen: Mr. Taylor, I do not know whether this is premature but I am concerned about the kind of structure that you have. In Sarnia we have what they call a pinnacle reef, and this is a large area of exploration that you are involved in. Is it thought to be the same kind of structure there, or is it what might be called a spread-out or a wider-area type reef that you would be working in? Has there been any test done in that regard?

• 1005

Mr. Taylor: No, the program so far—we would be looking initially for large structures. As to what area they cover is something we do not know yet. We will be looking for the big ones rather than the small ones to start off with, because we need volume.

Mr. Cullen: The comment made in the address here was that you are looking for oil export, but I understand that gas figures very largely in this. As I understand it, where there is oil, there usually is gas or a gas basin. Would this be part of your exploration or development program? Would you also be looking for gas or do you look for the structure that contains the oil and hope that there will be gas there?

Mr. Taylor: We look for the structure. We do not know what is in the structure. We will take whatever is in it, except water. We are not concerned whether it is oil or gas.

Mr. Cullen: That is basically what I wanted. Thank you, Mr. Chairman.

The Chairman: Mr. Smerchanski.

Mr. Smerchanski: Mr. Taylor, how many wells have been drilled in the Arctic to date, if any?

Mr. Taylor: There are three.

Mr. Smerchanski: Are they within the area that Panarctic holds?

Mr. Taylor: Yes, they are within the area.

Mr. Smerchanski: Were they rather deep wells or were they just exploratory shallow wells?

Mr. Taylor: They were comparatively shallow wells.

Mr. Smerchanski: Thank you.

The Chairman: Mr. Gundlock.

Mr. Gundlock: May I ask how the recent discovery—you mentioned volume—how the recent discovery in Alaska may affect the plans?

Mr. Taylor: The recent discovery will not affect us at all.

Mr. Gundlock: None whatsoever?

Mr. Taylor: Not our exploration program, no.

Mr. Gundlock: Export from Canada, for instance?

Mr. Taylor: We have not got to the marketing of this crude yet, so it will not affect the program that we have under way now. It may affect the marketing when we do find oil.

Mr. Gundlock: Will it affect your planning?

Mr. Taylor: It will not affect our planning, no.

Mr. MacDonald: I might supplement that by saying it also depends where the oil is found in the Arctic Islands, what successes we have with respect to the various problems of transportation. If we are successful in some of the things like Alexbow or some of the very large tankers, which work on the concept of sheer weight and volume of 100,000 or 200,000 the tank, we will try it. Some of our oil may be closer to Europe than anywhere.

Mr. Dinsdale: Mr. Chairman, is Panarctic going to concentrate exclusively on the Arctic Islands?

The Chairman: Mr. Taylor, can you answer that?

Mr. Taylor: In our plans so far, that is so, yes.

Mr. Dinsdale: In the high Arctic, I suppose Winter Harbour and the area of Melville Island is one of the most promising areas and I presume you will be concentrating there in your initial efforts?

Mr. Taylor: The initial program was concentrated on that Island, yes.

Mr. Dinsdale: Will you continue in that general area?

Mr. Taylor: Yes, but we are spreading out beyond that next year.

Mr. Dinsdale: Would the results of the exploratory effort of—I think it was Dome in 1961—and the independents give you good reason to continue to explore in this area on the basis of the evidence that has already been revealed?

Mr. Taylor: Yes.

Mr. MacDonald: May I offer a supplement to this. I think the difference, Mr. Dinsdale, between what is happening now and what happened earlier was that the Panarctic program was based upon very extensive seismic work prior to the location of wells. This is a very vast area. Some of the earlier efforts, because of the richness of the evidence, hoped that some of the seismic work which is very expensive could be avoided. But our conclusion is that we should do it the way we are doing it now where of the $20 million program something of the order of $6 or $7 million is spent on seismic work alone before we locate wells.

Mr. Dinsdale: The point I am interested in is there was a lot of skepticism when this private group stuck its neck away out and began to emphasize the tremendous potential of the North, and I think it was a major risk. It was also a major pioneering effort when they were willing to go into the high Arctic to prove to the skeptics that there was actually rich oil potential there. Are you familiar enough with the work of 1961 to indicate that that expenditure was justified, and that risk was justified disregarding all the skepticism at the time?

• 1010

Mr. J. M. Godfrey (Vice President and Land Manager, Dome Petroleum Limited, Calgary, Alberta): Do you mind if I answer that?

Mr. Dinsdale: You are representing Dome Petroleum Limited are you?

Mr. Godfrey: Yes.

Mr. MacDonald: Dome Petroleum Limited are the operators for Panarctic and Mr. Godfrey was involved, so he can answer this.

Mr. Dinsdale: Well, they were the great pioneers of the North. I would like to hear some of the background in this regard.

Mr. Godfrey: Dome went into the Arctic, Mr. Gallagher, the President of Dome Petroleum Limited, was originally interested in the Arctic away back in the mid and late 50's and in 1960-61 when they decided to drill the Winter Harbour well. Dome located it on the south end of Melville Island and not so much because it was a red-hot geological feature but because they could, in fact, get a ship in there and they could get a rig there. So in addition to finding out the geology of that part of Melville Island, the prime purpose was to demonstrate the feasibility of

operating a drilling rig up there all through the Arctic winter, and I think that was demonstrated. As a result of that, Panarctic intends to drill 12 months in the year.

Mr. Dinsdale: You were satisfied with the results of your Winter Harbour effort?

Mr. Godfrey: No, we were not satisfied. It was a dry haul.

Mr. Dinsdale: But as an initial, as they used to say, so many hundreds of dry wells are drilled before you come in with the big Leduc, and so forth.

Mr. Godfrey: That is right, and I think we should caution the members of this Committee also that drilling oil wells is not like shooting fish in a barrel. We could drill many dry holes before we find the one we are looking for.

Mr. Dinsdale: You did prove the geology, though, by actually drilling in 1961?

Mr. Godfrey: The wells that have been drilled to date have to some extent helped to set up the perspectiveness of the area.

Mr. Dinsdale: Are you going to be using the equipment that was taken in at that time?

Mr. Godfrey: No. We cannot transport the rig that was left at Winter Harbour on the south end of Melville. It cannot be broken down and flown, and there is no way we can drag it around, so we have a new rig that can be broken down and transported by a Hercules airplane.

Mr. Dinsdale: So you are going to be completely airportable now.

Mr. Godfrey: Right.

Mr. Dinsdale: Which is much better than the Thora Dam.

Mr. Godfrey: That is right.

Mr. Dinsdale: An improvement in this regard. You are familiar with the Quirin Report and its projections?

Mr. Godfrey: I have not seen it for many years, but I did read it when it was originally written, yes.

Mr. Dinsdale: Well, I presume those projections are still valid as to the future potential and world demand?

Mr. Godfrey: I would have to ask Dr. Woodward on that.

Dr. Woodward: That report, of course, was put together in 1961-62 and was based on a forecast, if my recollection is clear, an attempted forecast to 1970. We have looked at it from time to time. The forecast is probably conservative really, and even though these situations do change, the long-term forecast, of course, is for requirement for vastly increased reserves in North America.

The fact that we are looking for possible export markets for Arctic oil, most probably in the Eastern seaport areas of Canada and the United States and in Europe, indicates indeed, particularly from the security point of view, that there is a very strong desire to have Arctic oil *vis-à-vis*, we will say, Middle East. This is a competition, of course, which has to be faced there—the offshore oil.

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Mr. Dinsdale: Have the discoveries in Alaska changed the calculations to any considerable extent?

Mr. Woodward: I think you are referring particularly to Prudhoe Bay. There is still, of course, an element of scepticism in respect to the $5 million to $10 million which is projected. It is probably rational but we will know more about this in the next two years when there will be infill drilling and extra wildcat drilling. I think it has really done two things. For Panarctic it has increased the optimism in as much as the prominent reservoir at Prudhoe Bay is in triassic sands of a nature almost identical to the tar sands on northwest Melville Island, and as a consequence there is a probability of its having similar features to those two, one of which is suspected to have 5 to 10 billion barrels and the other one, which is an exhumed reservoir, has now lost all its oil but has all the vestiges of having had very large amounts at one time. There is a possibility of similar accumulations being available particularly all along the southern margin of the Sverdrup basin, a large part of the acreage of which is held by Panarctic. So, this has increased the optimism in that respect.

The other thing, of course, is that we know the Atlantic-Richfield, and Humble companies have engaged several task forces to look into means of transporting oil from the north slopes of Alaska by pipe line or particularly by ship. Mr. MacDonald has alluded, to the fact that there probably will be an attempt made this summer by that task force to test the feasibility of a large tanker with extra

horsepower, and so on, to cope with the northwest passage. So, there is going to be a great technological spin-off if you will, from the advance work that is being done because of the Prudhoe Bay discovery which should become available to Panarctic, and which we hope will lag that development by two or three years. Even though there is going to be extra competition for markets because of the Prudhoe Bay discovery there, will be many, many benefits. We have already seen part of those benefits in that we have dispensed with about 70 million acres of land in the Arctic region of Canada since Prudhoe Bay, and this was just based on the increased optimism and competitive interest of companies, and this all accrues to the benefit of Panarctic. This makes the possibility of financing beyond the $20 million stage that much more certain. I am sure the boards of directors of each of these companies, now have far more enthusiasm about this project than possibly they had initially. I suspect the Government of Canada possibly has as well.

Mr. Dinsdale: I suppose that all the partners in Panarctic are largely Canadian independents, with the exception of Bocadel Oil (Barber Oil). It there any particular reason for this lack of interest on the part of the Americans, or is it deliberate policy to make it essentially a Canadian project?

• 1020

M. MacDonald: I wonder if I might comment on that. I think one gets into the realm of speculation here. Mr. Taylor referred to the original efforts of Dr. Sproule to organize this consortium, and when he was doing that he was in touch with the majors, as we refer to them, and one can only speculate as to their policies in this regard. From our point of view when we looked at it we saw that there was a risk that Sproule's efforts might fail, that these option holders would have to bail out because they had exploration permits with work requirements beyond their capacity to finance. It is conceivable that the majors did not anticipate that Sproule's concept would succeed and that it was possible that these permit rights would be available on the market and could be purchased by the majors, in which event I believe they could then have approached the question of exploration and development within the context of their total, world-wide and very legitimate concerns, as they have oil here or there. However, from the Canadian government's point of view such timing did not necessarily coincide with our interest for developing the North and providing a dynamic with respect to employment of native peoples and certain other considerations which do not enter into the majors' thinking. If that be the case, or in any case, the point was that Sproule could not attract their interest at that time and when we entered into the picture it was in the company of CPOG, Cominco, Dome and the independent oil companies, which are largely Canadian and from the Canadian government point of view again this was quite satisfactory because one of the corollary benefits we were trying to secure here was Canadian ownership and control, so everybody was quite happy about the whole thing.

Mr. Dinsdale: In view of the fact that the American oil import-export policy is closely tied to what they regard as their security provisions, would you anticipate any export or market problem without elaborate or extensive American participation?

Mr. MacDonald: We have not as yet had to grapple with the market problem which Mr. Taylor has spoken of with respect to Panarctic or, as far as we are concerned, in the government. However, it must be kept in mind that the Prudhoe Bay discovery can be looked upon as having done two things in almost diametric opposition to each other. It might, on the face of it, increase the competition, its availability of supplies, but on the other hand it tends to establish the North American continent as a very real source of supply—quite independent of anything else in the world—in the quantities that are required. Thus, in terms of strategic, defence or security planning, the North American continent or the continental approach in that sense has a very real meaning. This could in fact benefit the Canadian Arctic islands because they are within the same range of geography and means of transportation. That would be one element.

With respect to marketing in the rest of the world, I have indicated that this again depends on where the oil is found, whether it is near water, what means of transportation is in fact going to be required, whether it is a surface tanker, and there has been some suggestion of subsurface pipe lines to open water, and so on. When the government made its statement in this regard it stated that the marketing would take place within the cooperative arrangements which have characterized our relationships with our trading

partners—and this involves the United States—and we are reasonably confident that in the happy event that we have lots and lots of oil to market that we will be able to work out co-operative arrangements.

Mr. Dinsdale: Other than speculative, has there been any further study of transportation problems in the North? Are there any major projects or experiments underway?

Mr. MacDonald: Of course, in various places we have had the Travacon study, which we recently published, which primarily dealt with transportation in the Yukon. Through Panarctic we have supported Panarctic further in the Alexbow experiment. Panarctic purchased a 51 per cent interest in the Alexbow device—the operator could expand upon this—and utilized it last year by putting barges up into Melville Island through the ice, and in co-operation with other agencies in the government we hope it will be conducting further experiments on comparable vessels which will produce a rather more scientific evaluation of the increment of efficiency that is represented here. We have also been in touch with some of the other works that have been going on in the rest of the world with respect to the concept of subsurface tankers. The French company, Petropar, which has operated extensively in the Arctic islands, has an interest in this area, as do the Japanese shipyards, although I think there is probably less cause for optimism in respect to this form of transportation now than might be the case in a year or two. So, there has been a variety of efforts of that kind, Mr. Dinsdale.

● 1025

Mr. Dinsdale: Has contact been maintained with the Soviet in reference to exchange of ideas on technology, transportation—

Mr. MacDonald: Yes, a number of exchanges have been going on for several years now between our scientists, industrialists and government people.

Mr. Dinsdale: Do we have anything to learn from the Russians?

Mr. MacDonald: That is a very broad question! In which way?

Mr. Dinsdale: In solving transportation problems of the North.

Mr. Woodward: I wonder if I may interject a comment. The U.S. coast guard, with whom we have been in consultation, initiated studies the beginning of last spring into the feasibility of opening up a transportation route along the north slopes of Alaska via Point Barrow and the Bering Sea. The other matter I have indicated is that since Prudhoe Bay Atlantic-Richfield, the Humble group and British Petroleum have joined together as equal participants in task force studies to look into the pipe line aspects possibly down through the MacKenzie District or more probably across Alaska and by tanker down the west coast, but the one of primary interest to us and the one I have mentioned before is this task force study to look into the feasibility of marine transport via the northwest passage. In addition to that—and Mr. MacDonald is not yet aware of this—we have begun to evaluate the possibility of having a pre-feasibility study prepared to look at all the means of transport in the Arctic to find out which one we should concentrate our efforts on as far as examining its feasibility is concerned. This is now in the formative stage and hopefully it will be underway within the next month.

Mr. MacDonald: In these matters, of course, we are also co-operating with the Department of Transport and the coast guard, which have icebreaking and other responsibilities in the spring. I mentioned earlier that further tests of the Alexbow involved co-operation with the Department of Transport, and the former Department of Industry is also co-operating.

With respect to whether we could learn anything from Russia, I think they demonstrated that a great deal was possible in keeping our Arctic waters open by the use of icebreakers. As I think you know very well, Mr. Dinsdale, their Arctic conditions are different from ours. They have greater river systems. They also have a great deal more in the way of transportation networks than we have, but these are really a benefit of nature. I think today the trend is away from the use of the icebreaker as a device, and an attempt is being made to use a vessel which will do its own icebreaking and the icebreaker would be required solely for emergency or particularly difficult situations. That is the direction of the effort now.

Mr. Godfrey: I would like to add one small point on the matter of the effect that Prudhoe might have on our marketing plans. I think we should realize that the annual growth rate in the U.S. alone is between 400,000 and 500,-

000 barrels a day. That is the projected growth rate for use of oil.

Mr. Dinsdale: What was that figure again, Mr. Godfrey?

Mr. Godfrey: Between 400,000 and 500,000 barrels a day.

Mr. Smerchanski: Between 400,000 and 500,000 barrels a day?

Mr. Godfrey: Right.

The Chairman: Annual growth rate.

Mr. Godfrey: Right.

The Chairman: For North America?

Mr. Godfrey: For the U.S. crude oil market. By the time you get Prudhoe to the United States, which will be a few years from now, the market increase will probably absorb it.

Mr. Smerchanski: In view of that, what percentage is this in terms of the total crude that is used in the United States? Would it be an annual increase of 10 per cent, 20 per cent or 8 per cent?

Mr. Godfrey: I do not know if I have those figures. I brought a few things with me but I do not know whether I have the daily use...

Mr. Smerchanski: What would your calculated guess on that be?

Mr. Godfrey: About 12 million a day is the current utilization in the United States.

• 1030

Mr. Dinsdale: On transportation, are you looking at the hovercraft as a possibility?

Mr. MacDonald: We have looked at it. We have supported trials for the first generation of hovercraft in the North and we are satisfied that it has attributes. They were not such, however, as to be of significance, we feel, in terms of resource development, we think that the second generation of hovercraft, which I believe is now plying the channel—it is a heavier job with a greater load-carrying capacity—would be of greater interest in the North. They have some bugs in it now that I believe they are working on, and if these are cured it might be something which we would be supporting again. However, the general consensus appears to be that the hovercraft has so far demonstrated greater capability over water than over the ice and other conditions that we have to encounter in the North.

Mr. Dinsdale: How about brainstorms like the Big Wheel and damming the Bering Strait? Has there been any talk about that?

Mr. MacDonald: We do not have the funds this year, I know that.

Mr. Dinsdale: It was a Soviet that was talking about damming the Bering Strait.

Mr. MacDonald: We saw another Soviet chap that had been taken to task for it. I rather agreed with the second one. However, we do try to keep an eye out for even the way-out ideas because one new knows when they are coming. It was this attitude that led us, for example, to support Scott Alexander's Alexbow device, even though it may not work. The possibilities were so great and the prizes so enormous that it was worth risking that kind of money on it. If we could get open water all year round in the North, or a large part of the year, we would revolutionize the whole economy of the North and the whole economy of Canada. As I mentioned, the Arctic islands are closer to Europe than the Middle East.

Mr. Dinsdale: Are you still skeptical about the Alexbow, or has it been proven in recent trials?

Mr. MacDonald: No, we are not skeptical. We think that as it has come along it has shown satisfactory performance at every stage, but we must have now a somewhat more rigorous comparative analysis. For example, there is *a priori* a lot of support for the concept that a 100,000 ton tanker, with extra power and properly reinforced, probably could be its own icebreaker in one year old ice. However, the Alexbow may give it an increased efficiency and the question will be, by what percentage in terms of economic return? These are the comparative tests that I think we have to pursue and we hope to pursue these next year.

Mr. Dinsdale: I noticed a speech by the outgoing man responsible for oil policy in the States. His name is Hon. J. Cordell Moore. It was almost a swan song. He expected that with the change of administration things would be changing. He talked in terms of a common market oil policy for North America. Is this considered seriously or is it merely speculation on his part? He emphasized it because of the security problems involved in

oil production—instability in the Middle East and in other parts of the world.

Mr. MacDonald: I think you can say, Mr. Dinsdale, as you are well aware from the national oil policy, that there is in effect a form of common market or continental approach to oil now in the sense that Canada is exempted from certain restrictions on the importation of oil into the United States, which helps to dispose of all of our Alberta oil. We think the practice that has been referred to by Mr. Godfrey and others, namely the great growth in demand in the United States, the factors I stressed in terms of Prudhoe Bay and the Panarctic combined giving greater credibility, you may say, to the independence of the North American area for economic oil supplies, probably pushes the trend even further in that direction.

Mr. Dinsdale: So that there is a strong possibility of a North American common market oil policy in fact as well as in promise. The trend seems to be in that direction.

Is the industry happy with the present regulations?

• 1035

Mr. Taylor: I do not know whether I can speak for the whole industry, but certainly there is a segment of the industry that would think that we have more oil than we are marketing. Until we reach the position where we can sell all our oil we will never be happy.

Mr. Dinsdale: You are talking now about the national oil policy.

Mr. Taylor: I suppose that is involved in it, yes.

Mr. Dinsdale: What I had in mind was the Canada Oil and Gas Land Regulations, as they apply particularly in the Northwest Territories.

Mr. Taylor: I am afraid I did not follow your question.

Mr. Dinsdale: Do the regulations fulfill the needs of Panarctic as it is functioning at the moment, or do you see any requirements?

The Chairman: Do you approve of the Canada Oil and Gas Land Regulations in so far as they are applicable in the Northwest Territories?

Mr. Taylor: Talking purely from Panarctic and not from the industry's point of view, we have no criticism of the regulations in the north country. In fact, Panarctic itself is proof that the regulations were such they encouraged us to go up and develop the North. Does that answer your question?

Mr. Dinsdale: In other words, Canadian measures have encouraged you in venturing forth into the North.

Mr. Taylor: Yes.

Mr. Dinsdale: I do not have any further questions. I would just like to congratulate the Panarctic people who have shown the way and have pushed governments into activity in this regard.

In terms of employment of men in the exploration and work of the North, do you think that there needs to be any change in policy. If you were to find oil and permanent installations were to be established in the North, do you think incentives such as they have in the Soviet in terms of income tax, wage incentives and so forth, would be required to get people to live and work there? Have you considered those possibilities at all?

Mr. Taylor: No, I have not considered those possibilities. I rather doubt that any further incentives are needed. The government is our partner up there and I am sure that the population up there will be looked after and that the labour force will be provided by the people up there.

Mr. Dinsdale: Would you consider that most of your manpower would come from the people in the high Arctic?

Mr. Taylor: Yes, I would think so—if for no other reason than it just makes common sense to use these people.

Mr. Dinsdale: Have you any plans to prepare the Eskimos for this sort of participation?

Mr. Godfrey: At the present time there are six Eskimos enrolled at a drilling school in Edmonton. They are taking a course which should enable them to start working on the first rig that goes up there in March. The drilling contractor has agreed to employ them so long as they qualify in the school. As far as the geophysical crew is concerned, they also are working with Dr. Woodward. They intend to get some Eskimos and to start working with them in January in the Northwest Territories, or even northern Alberta, so that they will be ready to go up into the Arctic in March when shooting starts.

In addition to that, with every contract that we let for work up there we tell the party involved that we expect him, where possible, to supply native qualified help for this particular project. We do not know how this will turn out but we are certainly trying it anyway.

• 1040

Mr. Smerchanski: Mr. Chairman, is this not the policy that the department had and that Mr. Francis explained to us the other day—that there are local Eskimos from that area being trained in connection with oil drilling and so forth.

The Chairman: Yes, Mr. Francis did mention this the other day.

Mr. Smerchanski: Mr. Godfrey, I would imagine you are working with Manpower on the very basis that Mr. Francis mentioned the other day.

Mr. Godfrey: Yes. It should be borne in mind though that there are no Eskimos other than a few at Resolute who are innative to the Arctic islands.

Mr. Smerchanski: Then you would have to bring them in from farther south?

Mr. Godfrey: That is right, bring them in from the south.

The Chairman: Mr. O'Connell has indicated that he has some questions. Mr. Dinsdale, are you finished?

Mr. Dinsdale: Yes, I am finished.

Mr. O'Connell: Mr. Chairman, I would like to begin by expressing great satisfaction over the fact that this kind of company has been put together. It has been a joint venture of government and companies exploring together in a very high risk area. I suppose none of us are under any illusion that it is a joint venture because of the very high risks involved, but I am glad to hear the gentlemen say that the risks are balanced by a very high potential. I presume that if oil is found at all it is likely to be in very large quantities. I do begin by expressing a good deal of satisfaction. Also, I would hope that if the risk factors decrease because of discoveries that government interest would not decrease also in the sense of any kind of withdrawal from the whole plan.

Could we get some idea of relative costs of drilling a deep well in the Arctic islands and one in the subarctic.

Mr. Godfrey: That is pretty difficult because in the subarctic it depends upon where you drill them. Generally speaking, we would estimate the first deep test on Melville Island will cost most probably $1.5 million.

Mr. O'Connell: What would a well around Fort Smith, for example, cost?

Dr. Woodward: I might indicate that the wells at Pointed Mountain, which are only 25 miles north of British Columbia border are running at $1.5 million and they are being drilled from 12,000 to 14,000 feet. So with the technology they have now they probably are pretty much parallel in costs. The whole idea of the Panarctic project of course is to bring this mobilization cost, if you will, which is of course common to each well drilled, into one continuous program and then most of that cost can be averaged out over a number of wells. The idea of Panarctic is to have a more or less continuous drilling program. So once you bring the rig up there it is essentially employed for three years. With the previous three wells, each one was burdened with its own mobilization costs in respect of three separate rigs—one for each of those wells. This is a type of economy. I think, with that sort of economy in the Panarctic project, you will find that the costs are just about equated with those in the southern territories.

Mr. O'Connell: Thank you. Could you clarify what you might call the surrender requirement. I have been reading the memorandum that came out just yesterday from your department, Mr. MacDonald, and there is this concept of surrender mentioned in it. Could you clarify it by comparing it with, say, the surrender requirements in Alberta or some other section. Is there a surrender requirement, upon discovery, back to the Crown?

Dr. Woodward: Fundamentally I think the prominent surrender involved in the regulations is in respect to the permits. The permit is essentially a licence to explore, granting to the permittee exclusive rights to take leases either before or after discovery.

• 1045

The permit term is broken up into what they call original term and then there are renewal terms, and these are automatic. In other words, if renewing it is simply a matter of putting down the guarantee deposit requirement that he will do a certain amount

of exploratory work. Upon fulfilling that exploratory work and showing proof thereof, the deposit is returned to him. If at the end of any one of these periods or terms, which are broken up just for convenience sake, there are other elements of work requiring specific deposits, they escalate: initially it is five cents in the first period, 15 cents, 20 cents and finally up to 50 cents per acre, and in total the permits have a life varying from nine years in the southern most portion of the Territories increasing as you go north to finally, in the Arctic islands, 12 years. This is giving cognizance to the difficulties of conducting work farther north and the costs inherent therein. The moneys which have to be spent on a permit during its life in the southern Territories is $2.90 per acre over the life of the permit and this diminishes as you go farther north. In the Arctic islands it is $2.65. This is also giving cognizance to the difficulties of access. If at the end of any one of these periods, or terms, within the permit life a permittee decides, because of having partially explored and found nothing promising, or because of budgetary conditions and so on, indeed that it no longer wishes to maintain its permit in good standing it simply surrenders its obligation, it surrenders its permit and its permit as a consequence returns to the Crown as a Crown reserve and it is then available to the industry only through public sale. Prior to this all the lands, all crown lands in the Yukon and Northwest Territories including the Arctic islands and off shore are available simply for filing on. In other words, for those lands which have been previously held, a company can simply come to us, pay a $250 administrative fee for acquisition of permit, put down its deposit to guarantee that work will be done in respect to the requirements of the first period of that permit, and essentially it has an exclusive right of earning interest in the minerals which it may discover there. So, that is one surrender and a prominent one.

The other one occurs when a company goes to lease. If upon discovering oil it then wishes to actually gain mineral rights, the permit being purely a licence to explore, it takes out a lease. The lease term, of course, is for 21 years and this is similar to those that were available previously in Alberta, although Alberta's lease term now is ten, having been adjusted about four or five years ago. Ours is still 21 years and there is automatic renewal, if production is still being taken, for a further 21 years. The permittee is allowed, however, only to select 50 per cent of the permit area in the lease. The balance of the permit area is surrendered to the Crown but in the regulations for the Yukon and Northwest Territories we have a concept which is unique and is not available in the province, and that is that 50 per cent of the acreage within the permit area which is surrendered to the Crown, that the permittee, or now the lessee if you will, can pick up the balance of that acreage in lease form at only a special royalty rate which is essentially double or more than the royalty rate which he agrees to pay in respect to the first selection. The idea of this unique feature is to ensure that the land is held as much as possible by one individual with the idea that this effects considerable economies in the development of oil pools. As soon as you have competitive interests, indeed there is overdevelopment, overdrillings and so on. So with the idea of ultimately providing for the most efficient means of oil production, which we feel is going to be necessary here to overcome the burden of transportation costs, access and high costs of experts and so on, these features are built in.

• 1050

I might indicate here that this rather unique feature to the Canada Oil and Gas Land Regulations has been adopted by the Government of Australia in its new common code which it publicized here only a year ago, which gives some indication indeed that this feature, which came essentially from Dave Quirin's type of study and recommendations, is a very rational and good one.

Indeed what we are doing here, of course, or have been doing for many years, is trying to provide sufficient incentives by means of, depending on how you look at it,—more liberal policies or less stringent policies than the provinces to enable the companies to enter the north and to explore and discover the resources. In the same way Australia is faced with the same thing. There is only so much investment money in the resource industry and it requires a little bit of the sales pitch, if you will, to get people to explore your domain rather than someone else's.

Mr. O'Connell: Thank you.

The Chairman: Mr. O'Connell, I wonder if you would mind. I have a supplementary on that specific point.

Mr. O'Connell: So have I, but go ahead.

The Chairman: This permit, sir, when you mention that 50 per cent of a permit area is held back by the Crown, does this mean 50 per cent of the general area of the permits held by a company, or is each permit divided into units of so many acres and it is within each particular unit that the 50 per cent is held back?

Dr. Woodward: The permit essentially reflects on a grid area and the grid area is ten minutes of latitude by 15 minutes of longitude south of latitude 70. North of latitude 70 it is ten minutes of latitude and 30 minutes of longitude.

The Chairman: How many acres does that represent?

Dr. Woodward: Well, of course this varies with the convergence of the longitude but essentially you can assume it is an average of 50,000 acres. It varies anywhere from about 37,000 to almost 70,000 depending on its position, but on the average it is 50,000 acres.

The lease selection is stipulated: they can select 50 per cent of that area. No selection can be less than a section, and these grid areas are divided into 80 or 100 70 square mile sections. That is essentially what it amounts to. So a lease can be no less than a section and may be measured four by four sections, or five by three sections. It is essentially a checkerboard selection or a corridor selection; in other words, it is rectangular, quadrangular, block, separated by mile division or by section division. In other words, they can manipulate, if you will, or make their selection to the best of their advantage, but there is the restriction on the size of the individual lease, both maximum and minimum, and the fact that it has to be checkerboard or separated by corridor acreage. So, this balance that is surrendered to the Crown has almost the equivalent value to the primary leases election.

The Chairman: This I do not quite follow, because from what I understood you to say initially, once these blocks form part of a person's lease the company involved can choose whichever ones are most advantageous to him out of a number of blocks which are subject to his lease. Supposing there are four, five, six blocks subject to my lease and I discover that in a portion of that area there is good potential and I then can eliminate the other three blocks quite easily. My question is this. Does a company have the ability here to eliminate all the area which has no potential and keep all of the area which has the potential?

Dr. Woodward: No, this is the reason why there is a limitation on lease size. In other words, in consideration of the normal size and configuration of an oil pool in its normal dimensions, the largest single lease that a company can take from a permit measures essentially four miles by four miles or three miles or by five miles. The minimum size is a mile by a mile, and I am using round figures here because it depends, as I indicated, on the size. At the same time all he can take is a checkerboard.

• 1055

Mr. MacDonald: Would you explain the term "checkerboard"? The areas cannot be contiguous unless they are corridored?

Dr. Woodward: That is right.

Mr. MacDonald: And in consequence, he therefore cannot take an entire area of this kind. He can only select a random pattern.

The Chairman: From that then, under your rules does this firm have the first chance on the other?

Dr. Woodward: For 60 days, he surrenders the balance and...

The Chairman: At those additional royalty rates.

Dr. Woodward: That is right.

The Chairman: But he does have the first option on this?

Dr. Woodward: Oh, yes.

The Chairman: So in effect, then, he can tie it up completely.

Dr. Woodward: That is right.

Mr. Godfrey: Mr. Chairman, this is not peculiar to Panarctic. This is for any company...

The Chairman: All right.

Mr. MacDonald: The point behind it is that while we want to maximize the return to the Crown when success has been identified, there is still an argument in favour of the minimization of the number of wells because then you get into pool rating and the diseconomies of the way some fields have been developed in the world.

Dr. Woodward: It is interesting, as we have mentioned, that Australia is now adopting this policy.

The Chairman: Is it not the case, Dr. Woodward, that in some countries the governments themselves retain this other 50 per cent or...

Dr. Woodward: In the Province of Alberta the balance of the acreage becomes Crown reserve and then is sold at public sale.

The Chairman: I see. And the Government of Canada has decided that this policy is not advantageous?

Dr. Woodward: By comparative studies as to the benefits derived from the cash sale proposition versus the extra royalty provisions which escalate almost up to 40 per cent, it is considered that the cash return ultimately to the government is essentially the same. There is the benefit that we do not front-end load, if you will, the exploration by taking our cash off the top before anything is done; that it is at least taken after production is attained. So, there are two concepts; it appears to balance out pretty well, but at the same time this other scheme provides the most incentive.

Mr. MacDonald: I think one should bear in mind that a heavy royalty, which is what applies here, in effect is retention by the Crown of the very real interest in the results. That was desired purpose.

Mr. O'Connell: Yes, and of course in the Panarctic case the 45 per cent interest is a double accumulation to the Crown too.

Mr. MacDonald: Well, we win both ways.

Mr. O'Connell: Yes, you win both ways. Many of the questions have been asked in Mr. Watson's supplementary so I will not stick on that, but that was of great interest to me in seeing that the government's share would be maintained. Indeed, I would like to ask a few questions still in this general area.

Is there any Canadian content required in the other companies who have been granted permits, and presumably would be granted leases based on their results there?

Mr. MacDonald: Well, there are the Canadian participation regulations—

Mr. O'Connell: I am not asking in any specific sense but is there a general requirement...

Dr. Woodward: Very specifically. Before a company can go to lease it must satisfy Canadian Participation requirements.

Mr. O'Connell: Are they roughly the 25 per cent minimum Canadian ownership?

Dr. Woodward: The company must have its stock listed on a recognized Canadian stock exchange. In other words, the stock has to be available for Canadian participation. A foreign company can actually take leases as long as it has a subsidiary to which the leases are vested and which stock is available on a recognized Canadian stock exchange.

Mr. O'Connell: But no required proportion of its equity on the exchange, so far as you are aware.

Dr. Woodward: Only inasmuch as the stock exchange itself indicates, which I understand is about 15 per cent. In order to maintain listing there must be about 15 per cent of the stock in motion which cannot be firmly held. Shell Oil of Canada, for instance, is a case in point. About 85 per cent of the stock is firmly held and the other 15 per cent is trading.

Mr. O'Connell: That tends to balance off the more liberal surrender values in the risk areas. Could I ask ...

• 1100

Mr. Dinsdale: I have a supplementary concerning Canadian participation. Are there not special requirements for production of statements?

Mr. MacDonald: That is it. When you go to lease with the production stage you have to form a company that has stock registered on the Canadian Stock Exchange.

Dr. Woodward: A lease where they have the mineral rights; up to that time they only have a licence to explore, and to convert from one to the other requires to be done under Canadian participation law.

Mr. O'Connell: Mr. Chairman, may I ask again whether Panarctic considered or did take an interest in the permits in that July to October period when 28 per cent more land was taken up in the Arctic?

Mr. Godfrey: Panarctic filed since inception about 5 million acres for its own account. Other filings have been made by all kinds of people. However, Panarctic picked what it wanted and I think we would have to say or

believe that we got the jump because we have been doing the geology up there and working.

Mr. O'Connell: Did you go into the Mackenzie? Where did you take your acreage?

Mr. Godfrey: We had the bulk of a lot of the islands, so when we filed we simply filed additional permits where a portion of that permit may be offshore.

Mr. O'Connell: You stayed on the islands?

Mr. Godfrey: We stayed on the islands; we did not bother filing offshore among the islands.

Mr. O'Connell: Mr. Chairman, I would like to ask the rationale of the exclusive island policy in view of the Prudhoe discoveries which would indicate that there likely are to be pipelines, and that something on the land itself would perhaps be an attractive area for Panarctic. Where does the island rationale come in so strongly?

Mr. MacDonald: May I reply to that? I think one has to understand that Panarctic is essentially a syndicate, a partnership arrangement of many partners, and that is the controlling instrument at the present moment and establishes the policy. It was born out of the options that Dr. Sproules had secured and these were on the Arctic islands, and essentially his argument was a consortium to explore the Arctic Islands.

There is no legal reason why Panarctic could not go beyond that, but the present partners are committed to specific sums of money which they must furnish on a prescribed basis, and these are committed to a specific program on the Arctic Islands. If we are to go further, the Board of Directors and the partners behind them would have to consider whether they are prepared to furnish additional sums of money and enlarge the scope of the program somewhere else.

Mr. O'Connell: I appreciate that, but it brings up the question of the Canadian government's satisfaction with one member on the Board when public policy might dictate that there might be a good deal more encouragement given for taking up permits in other than the Arctic Islands; for example, in coastlines, in Hudson Bay, in the Mackenzie Basin, where these maps indicate some very significant possibilities.

Mr. MacDonald: I do not think it would alter the matter one bit. I can tell the Committee that although we have only one director on the Board there has not been one disagreement at any point of time about the policy to be followed between the government and industry members.

The real crux of the problem will be, who is prepared to put up the money? We have not felt justified, speaking now with my Departmental hat, in going back to the government to raise the question of additional capital sums in this particular financial climate and before the Panarctic venture has begun to demonstrate something. My reading of the minds of our industry partners is that precisely the same attitude prevails.

Mr. Taylor: Yes, I would agree with that This project was formed to do a certain job of work. It was confined to the islands because that is the way it was formed.

We have to get this thing going and raise the money fully to explore this land and develop it ultimately, we hope, and no thought has been given to enlarging this program into other areas as yet because if so, it means a completely new idea of financing; more moneys, and so on would have to be raised.

Certainly when we started this thing, the optimism was not as high, generally that is—not amongst the participants. Obviously we were optimistic but with the Prudhoe Bay discovery certainly the optimism has increased. However, it has not increased to the point where we are now wildly thinking of taking the whole of the north country into Panarctic. A new thought has to be born for us to do this, I think, and then we have to raise the money, which is even more important.

Mr. MacDonald: May I supplement this with further facts that I should have included. The volume of sedimentary deposits in the Arctic Islands is approximately equal to that of all three prairie provinces combined. The amount of money being spent on exploration in Alberta alone every year is $100 million, so that gives you a relative order of magnitude of what would happen were we to expand our purview here.

We are operating on a $20 million program at the present time for an area that is equal to the three Prairie Provinces combined. We are confident that we will be spending $30 million and much more on Panarctic Oils. As

I say, in the exchanges that took place between the government and industry members, we have never thought at any time that even $30 million would buy a yes or no answer with respect to the oil in the Arctic Islands, so the problem has been to avoid dispersal of effort. We are already working on something that is equivalent to the three Prairie Provinces combined right now.

Mr. O'Connell: Mr. Chairman, I do appreciate those answers and the logic; it is a very cogent answer, I think. However, I would have to say am not satisfied in view of the Prudhoe discovery that the established policy should not be now reviewed. I appreciate, sir, that your Department does not feel it ought to go back for more funds, but that is precisely the point. There is only one government representative and perhaps there ought to be others representing the government, and perhaps different financial arrangements might come forward if Panarctic indeed could be a vehicle for more than is fixed focus on the Island.

Mr. MacDonald: Well, sir, I would like to make the point that it is not representation on the Board of Directors of Panarctic that is required; it is representation on the Treasury Board, because that is where...

Mr. O'Connell: But there is no plea going?

Mr. MacDonald: I cannot reveal all of the discussions that have taken place between myself and the Minister and with other colleagues. I think you are all aware that the present climate is one of very harsh judgments on priorities, and what we are talking about now is the extent to which the public sector will displace the private sector in the provision of investment funds, and I do not think that is going to be affected by the number of members of the government on the Board of Directors at Panarctic. This is a matter that would be of concern to the Minister of Finance and the government as a whole. It is a perfectly legitimate argument; I am not gainsaying that. This is an area of public debate.

Mr. O'Connell: Definitely; it is a matter of public policy as to the...

Mr. MacDonald: I am trying to make the point that it is not one that is going to be resolved within Panarctic.

Mr. O'Connell: No, but Panarctic is a vehicle currently of a joint nature; I do not want to enter into debate on it, because...

The Chairman: Mr. O'Connell, would it be acceptable for us to recess temporarily for five or ten minutes and have some coffee, and then we will resume?

Some hon. Members: Agreed.

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After Recess.

• 1123

The Chairman: Mr. O'Connell, you were questioning several of the witnesses.

Mr. O'Connell: As this might be an opportune time, I would like to say that I think this total venture is a most attractive one. I think Canadians will look back with a good deal of gratitude to the then Minister, Mr. Laing, for the energetic and realistic response he gave to the opportunities by going joint venture with private Canadian companies in the North. I think that was a most imaginative and proper kind of response and...

An hon. Member: Mr. Chairman, is this supposed to be partisan or non-partisan?

The Chairman: Non-partisan.

Mr. O'Connell: I do not think this is being partisan. I think this is a factual statement. I am very much interested in this kind of extension.

I do not think I want to continue the discussion which was perhaps tending to become a debate on the Board of Directors and the government content on it, but I am simply not satisfied that we have a sufficient voice there. At the stage of permit filing, is the Canadian content requirement applicable, or does it come in only at the leasing stage?

• 1125

The Chairman: Mr. Woodward.

Mr. Woodward: No. In other words, an applicant is acceptable with respect to permits as long as he is 21 years of age or if it is a company, it is incorporated in Canada or has a licence to do business in Canada or its provinces.

Mr. O'Connell: Well, then, how can they qualify under the leasing for Canadian content?

Mr. Woodward: This is their internal legal problem. They have to qualify and if they do not qualify when they take the permit out, then in between that stage and the time that

was picked to lease it they must somehow or other adapt to it. In other words, for those foreign companies it is a matter of setting up a subsidiary which has stock issued, which has stock on the market.

Mr. O'Connell: Mr. Chairman, I have a question I would like clarified. It arises from the then Minister's statement in December 1967 when he remarked that Panarctic will control just over 63 per cent of the Arctic lands regarded as potential oil and gas bearing acreage. Would we have to modify that judgment now in view of the more recent statement which has no date but apparently was made in October or a few weeks ago that there are 270 million acres currently held—and Panarctic would appear to me to have perhaps 20 per cent of that?

Mr. Woodward: I think you will find the 60 or 63 per cent statement applies only to the sedimentary area within the Arctic islands: the 270 million acres you referred to refers to the land held in primitive form throughout the Yukon and Northwest Territories, including the Arctic islands. In the Arctic islands themselves at the moment—and here again the disposition of permits almost precludes drawing a definition any more—the permits in the islands run contiguous to those of the mainland and one has to arbitrarily, let us say, take the marine channels, if you will, in the Queen Elizabeth group up to the Arctic islands. There are probably about 100 million acres held in the Arctic islands now which Panarctic has in addition to the initial 44 million which it had upon the initiation of this project and it subsequently picked up about another 6 million. It has, in other words, about 51 million of 100 million. In other words, it has about 50 per cent of the acreage. In this 63 per cent there is an element of from the geologic point of view as to what is prospective and what is not. A great deal of the acreage that has been taken out in the last three months has been taken out under a sort of heat of the moment, essentially a land rush.

Mr. MacDonald: A water rush, rather.

Mr. Woodward: Yes. I expect indeed that when the next renewal period for these permits comes around when you have to plunk down 15 cents for additional work there will be a rationale there and you will find a great deal of this land surrendered. Much of that which has been taken out recently is in water depths of 600, 1,000 and 1,500 feet, ice-covered, with fantastic technological problems and so on. And much of it has been taken out by small companies, in part possibly by those with speculative interests rather than definite interest in exploration. So I suspect once the Prudhoe Bay peak and interest is over and it gets down to the rational business of expending money to really see what they have, you will find a great deal of the acreage reverting to the Crown. So this 63 per cent of the prospective acreage then is probably still a good statement.

Mr. O'Connell: Thank you. In the documents here there is a reference to the rights of Panarctic to minerals other than oil which may be discovered and I gather that there is a 15-day period in which Panarctic might lay claim to those minerals or stake. Could I have a little clarification of whether Panarctic has any policy with respect to that. I notice a few major mining corporations are members of Panarctic-Noranda, to mention one, Cominco, and I have just forgotten; there are a couple of other major corporations. Would the public interest as reflected through the government's share of Panarctic be sufficiently considered, if I might say that, with one government representative—Oh, I will not come back to that.

• 1130

If there is only a 15-day period during which this corporation may either stake or not stake, not knowing really what is there because they have just discovered something, is that a very good arrangement? I would like some clarification of whether there are policies with respect to that since it would seem to me that it might be more proper to change that requirement now than to face a little difficulty later on.

Mr. Taylor: We do have a policy in Panarctic for other minerals and the policy is briefly this. The main purpose of Panarctic is to look for oil and gas. However, it is realized that in our explorations over the islands we may find other minerals. Panarctic recognizes this possibility and it is its policy that we will stake lands where these other minerals might be found. We are not using our money at this time deliberately looking for other minerals. The program is aimed at oil and gas but other minerals are definitely associated with some of the large structures up there and we are not closing our eyes to them.

Mr. O'Connell: Mr. Chairman, that only confirms my lack of satisfaction, if I may put

it that way, with this 15-day requirement. Since there are such major mining corporations involved in the operation that have very large financial resources and might prefer to undertake any mining development themselves under the presumption that Panarctic is an oil and gas focus basically, I am just wondering whether we should not review that kind of situation so that Panarctic and, therefore, the government participation and the public's participation in the mining ventures might be more closely considered?

Mr. MacDonald: The Board of Directors has taken a specific decision which is a direction to its Executive Committee that Panarctic will file on any mineral discoveries that come into our orbit as a result of our exploration activities. We are, in fact, the only exploration activity going on in most of these areas, so the Board of Directors has taken that decision.

Mr. O'Connell: That they will file?

Mr. MacDonald: Yes, very definitely. It is the unanimous view of all participating members, including the mining companies, that this is a partnership and any benefits that accrue must accrue to the partnership.

Mr. O'Connell: Is the implication to the filing that development would be a joint venture?

Mr. MacDonald: Most certainly.

Mr. O'Connell: Thank you.

Mr. Godfrey: There is also the point, of course, that as Panarctic is a separate company, the individual participants are not privy to the technical information that Panarctic is finding except at various meetings, not on a current basis.

Mr. MacDonald: Further to that point, the Board of Directors has also passed a resolution that such information shall not be made available to individual participants but that it shall only act as a consortium through its operator.

Mr. O'Connell: Are you satisfied with the 15-day requirement? I gather it is a requirement.

Mr. MacDonald: We have had discussions on the adequacy of that from time to time. We think with today's methods we can operate within that period. I think a longer period probably would be desirable and we may well come to that at some point.

Mr. O'Connell: I am puzzled why it is so short in view of the circumstances of the North.

• 1135

Dr. Woodward: Possibly this might be pertinent. The reason for the short period is that if Panarctic had not chosen to file these claims—the showings, and so on—the other mineral companies involved here want to be assured that they have the first opportunity and not some outsider. In other words, if they delayed too long between the time Panarctic decided it did not want those claims and the time they were allowed to file on their own behalf, there are a lot of other people interested in minerals up there who might have actually staked those claims ahead of them.

This is the idea of keeping the period as short as possible between the time Panarctic indicates it does not want them and the time in which interested companies can take some benefit from their participation in Panarctic by having sort of a prior interest in filing those on their own behalf.

Mr. O'Connell: Do I understand correctly, then, that the participating companies do not realize there is a mineral discovery for 15 days?

Mr. Godfrey: It may be longer than that.

Mr. Taylor: No, it is 15 days after Panarctic has said it does not want them.

Mr. O'Connell: I have read this 15-day thing differently.

Mr. MacDonald: It is a first refusal, really. Panarctic itself has the first cut at it, and then the participating members have that period, but the point must always be kept in mind that anyone can file—anyone. Therefore, as Dr. Woodward has properly pointed out, the whole question is then surrounded by some degree of urgency because one can never be sure that things will not leak out. Everybody does have to move with some kind of speed here, but Panarctic has the right to make the decision first. As I say, we have already passed a resolution in that respect so there is an automatic filing. As far as the Directors are concerned we can always abandon it later on, so we have taken the position that we will file.

Mr. O'Connell: In the recent budget changes with respect to the taking of depletion in a different way, do you feel that that

has affected adversely the financial operations in case of discoveries?

Mr. MacDonald: I would like someone from industry to respond to that.

Mr. Taylor: I do not know whether I can answer that question because it varies, of course, from company to company, depending on whether they are actually getting that depletion allowance. I would guess that the answer to your question is, no; it has not adversely affected the industry.

Mr. O'Connell: You do not feel adversely influenced by the budget provision?

Mr. Taylor: Well, I cannot answer that question, really.

Mr. O'Connell: Because there is no result, is that the reason?

Mr. Taylor: No, my reason for saying I cannot answer, is because I do not know what the individual company's feeling is. This is an industry. This would be more properly directed to the CPA who represents the industry because you would need a consensus.

Mr. O'Connell: I am thinking of Panarctic's position.

Mr. Taylor: I wonder if you are just talking of Panarctic? It has not affected our budget because we are committed to a budget from a year ago. We made a commitment and we have to fulfil it.

Dr. Woodward: My understanding of the recent change in the depletion allowance is that everything is exactly as before except that companies now have to consolidate. In other words, depletion is taken off production income before computing taxes. A case in point is Imperial Oil which separated itself essentially into a producing company and an exploration company to get maximum benefit of depletion allowances. For this reason, indeed, they have brought in the condition that a company now has to consolidate its explorations and revenues for the purpose of computing depletion.

So really, as far as Panarctic is concerned it makes no difference, because it is essentially a consolidated company in any case, and the depletion provisions as they were previously and as they now exist make no difference. It had no potential for benefit before and, of course, the benefit that was available to few companies is now taken away. So the recent changes in depletion allowances have not had any impact at all on the Panarctic structure.

Mr. O'Connell: Thank you. Mr. Chairman, I have another question of a quite different nature and it may not be possible to have a full answer here. One of the problems we have not faced and a problem which we may face in an acute form in the near future is the question of aboriginal land rights in the North, and presumably above the tree line this would concern Eskimos.

• 1140

I was interested to hear Mr. Taylor remark that there are no Eskimos in the Panarctic lands. That might change the character of my question, but I would like to ask whether any legal advice has been sought or any departmental, governmental or Panarctic considerations given to the question of aboriginal land rights with respect to the work it is now carrying on?

It is going to arise in any case but it is going to arise sooner if there are oil discoveries in a different form and I would like to know what advance thinking is going into that.

Mr. MacDonald: I do not think Panarctic can comment on this because as a Company it is operating under the laws of Canada and is a duly authorized permit holder.

With respect to the question of aboriginal land rights in terms of the Eskimos, I do not think that there is any decided opinion on this subject. The pattern of land occupation for Eskimos was not that, for example, of the Indians in terms of territorial definition. They are highly nomadic. Finally, with respect to the Panarctic situation they were not indigenous to the islands. There has not been any residence or life before.

Mr. Dinsdale: I have a supplementary, Mr. Chairman. That would mean that Treaties 8 and 11 only apply to the mainland?

Mr. MacDonald: Treaties 8 and 11 are applied to a defined area.

Mr. Dinsdale: On the mainland.

Mr. MacDonald: On the mainland.

Mr. Dinsdale: They do not extend beyond the mainland.

Dr. Woodward: That is the southern-most portion of the Territories, too. It does not extend too far north.

Mr. MacDonald: No; where there was a historical pattern of residence recognized among people at that time as being the Territories.

Dr. Woodward: The Great Slave Lake area, essentially.

Mr. O'Connell: Mr. Chairman, is Panarctic on Banks Island?

Mr. Godfrey: Yes, partly.

Mr. O'Connell: But Banks Island is occupied by Eskimos. Now, it might not be just where you happen to be, but there is a good deal of movement...

Dr. Woodward: I think Mr. Godfrey had in mind when he said the Arctic islands, rather the Queen Elizabeth group which, of course, is that large triangular segment north of that prominent channel, going east-west through it. In that segment historically there have been no Eskimos. I think probably 300 or 400 years ago apparently there was civilization, at least hunters and so on there, but there have not been any permanent residents for 300 or 400 years.

In fact, the Eskimos that are at Resolute and other places like Grise Fiord and some other settlements are there because of the good hunting and fishing in the area, so it has been an artificial movement, if you will, of Eskimos into that Queen Elizabeth group at least. There are Eskimos at Sachs Harbour, as you indicate.

The Chairman: Mr. O'Connell, have you completed your questioning?

Mr. O'Connell: I will pass for the time being.

Mr. Smerchanski: I have a few questions, Mr. Chairman. Is Prudhoe Bay in the same general sedimentary basin in which Parnarctic oil is located, or is there a break between Prudhoe Bay sedimentary basin and the extreme western portion of the Panarctic oil sedimentary basin?

Mr. Taylor: This is difficult. In other words, we really are talking about geology and different periods of time and the one that is of concern here is Triassic and part of the Mississippian. Quite obviously, the fact that we have Triassic in both places and in areas in between, places which have been eroded to zero thickness, show that in one way or another there is some co-extension and, indeed, what has premeditated, the extensive filing is this supposition that there is connection between the two.

I have indicated that at Prudhoe Bay there is the deltaic sedimentation, very thick bands in a marginal seacoast type depositional pattern. The identical pattern exists there in northwest of Melville Island so indeed we have a south shoreline, if you will, of an old Triassic sea, at least at Prudhoe Bay and in north Wales and Melville Islands, this same type of depositional features. So the supposition is indeed that in that period of time there was some extension between the two and that similar sedimentary conditions exist in both, and that there is a possibility of other similar environments existing in the subsurface portion.

• 1145

Mr. Smerchanski: Have you had an opportunity to have a look at the initial exploratory seismic results in the Prudhoe Bay area, in terms of what resulted there as against some of the seismic work that has been done by Panarctic?

Mr. Godfrey: As to the information in Prudhoe Bay, first of all it is Alaska, and secondly it is being done by companies on a very highly competitive and secretive basis. We cannot get access to either their well information, or their seismic...

Mr. Smerchanski: Would you have any indication as to the ground initially that the oil companies went into in the Prudhoe Bay area? In other words, did they go in almost on the same basis of exploration the way Panarctic has gone in, or did they go with some preconceived notion and ideas and some knowledge that they may have acquired earlier in the historical investigation of that area?

Dr. Woodward: Maybe I could answer that question. The north slopes of Alaska have been under investigation for many years. The original investigation, of course, took place on the U.S. Naval Petroleum Reserve No. 4, and there has been a number of small oil fields and some gas fields found. Because of their distance and so on, they had never been exploited.

The geology and the sedimentary conditions of course have been known in part from rock exposures in the Brooks Range immediately to the south of the Alaska Arctic slopes, and so many of the conditions for oil accumulation were known to be extensive. There was

in fact a demonstration of oil and gas in the ones I have indicated. These things have been under lease and under exploration permit in Alaska for many years, and the evolution of the program which resulted in this discovery has been going on for some time. Even before Prudhoe Bay, for instance, The British Petroleum Co. of Canada Ltd. has drilled, as I recall, at least three wells in the immediate area, unsuccessful unfortunately.

The Chairman: How immediate?

Dr. Woodward: I can take a guess at this. I would say within 15 miles of the structure on which Prudhoe Bay has been located. In fact, these companies, because of the recent excitement, are now going back in and will be drilling two or three more wells on their lands, about which they were formerly discouraged in their search.

Mr. Smerchanski: Would it be a fair supposition to say that they were fortunate in that they were looking for an oil well in a favourable location, and they were just lucky enough to come across this discovery?

Dr. Woodward: I would say extremely lucky.

Mr. Smerchanski: Right.

Dr. Woodward: If it turns out to be the way it is supposed to on this five to ten billion barrels, it would be the largest oil pool discovered in North America. The probability of discovering one of even 100 million barrels—considerably less as you can realize in Western Canada experience—is one in about every 167 wells, wildcat wells. The opportunities of discovery are quite slim. At Prudhoe Bay it is statistically dense. How many wells are there in North America? Probably 100,000? In other words, one discovery of this nature out of, I would say, 100,000 wells.

Mr. Smerchanski: Mr. Chairman, another question, and this is of course purely hypothetical. With the exploration program you have laid out for your Panarctic, there would only be a 10 or 20 per cent possibility of success as compared to what they had in Prudhoe Bay. This would certainly more than justify the expenditure of $20 million by Panarctic. What would your feeling be on that?

Mr. Godfrey: As a participant I would say it certainly would justify it, because at least in the Arctic we have got what looks like the structures. We own a large share of the land so that if anything is found up there we have a reasonable chance of being in on it, and the other point of course is that the Arctic has hardly been touched. You have got to find out sometime.

Mr. Smerchanski: Is it 15 cents per acre to hold the permits on a year basis if you do not do any work?

• 1150

Dr. Woodward: Let us get down to the Arctic and the case in point. The permit term there is 12 years. It is divided, an original term of six, plus six annual renewals. The original period is broken into three, an 18-month period, a 30-month period, and a 24-month period. In the first period, when you file on the land, you put down five cents to guarantee that you will do five cents worth of work per acre in the first 18 months. To renew it you put down 15 cents to indicate that you will do 15 cents additional work per acre during the next ensuing 30 months, and to renew it again you put down 20 cents per acre to ensure you will do 20 cents worth of work per acre for the next 24 months. Then by annual renewals it escalates 25, 35, finally to 50 cents. In total, during the term of that period you have essentially guaranteed you will do a minimum of $2.70 worth of work during the life of the permit.

Mr. Smerchanski: If a company takes out a permit and finds that it cannot do the actual work on their ground, they can, by paying in this fee in terms of whether it is 18 months or 24 months, continue to hold the permit on that particular land.

Dr. Woodward: As I say, the deposit is purely a guarantee that the company will do the work. If it is unsuccessful in completing the work, by providing a rational reason why it was unable to do it, we provide for carry-forward of that expense that deposit.

In other words, for the first 18 months if it was unable to do the work, they would put down the 15 cents to guarantee to do 15 cents worth of work in the next period plus the unfinished work which remained. It would have to do 20 cents worth of work, 15 plus five, and we provide these carry-forward privileges. As far as I know we have never exercised the right to terminate the permits because of lack of carrying through the intent which is inherent in the application. In most cases we provide the carry-forwad because the company, rather than forfeit money

which just goes into general revenue, would indeed do the work. It either loses the cash or shows indeed it has done the work and recovers its deposit.

This is the whole idea, that there is a guarantee there. The Crown has always got its hands either on the deposit or the work that has been done.

Mr. Smerchanski: As long as the company shows intention. It could be due to physical conditions that it cannot get into an area or they have been unable to get into an area. The government then does, because of the permit, give them the right to carry forward and it does not forfeit or cancel out their permit.

Dr. Woodward: I know of no situation where there has been a forfeiture because of that, and as I say just for the reasons that a company eventually does get busy and do the work.

Mr. Smerchanski: Mr. Chairman, I certainly think that Panarctic, as all the witnesses have indicated, is a tremendous and fascinating program, especially in view of what happened at Prudhoe Bay. I think this augers well for the pioneers or the initiators in this entire project. All I want to say is I certainly compliment them and wish them the best of luck.

The Chairman: Thank you, Mr. Smerchanski. Mr. Borrie.

Mr. Borrie: Mr. Chairman, I understand that you have on hand a news story from The Montreal Gazette, and comments by Governor Hickel I believe of Alaska. I wonder if you would read that for the information of the Committee.

The Chairman: Governor Hickel of Alaska apparently made a comment a few days ago. He said among other things that Canada is doing "more in one year in their Arctic that the U.S. has done in 25 years in Alaska's Arctic."

There is a very short news item. If the Committee agrees, we could perhaps have it appended to our Minutes.

Some hon. Members: Agreed.

Mr. Dinsdale: I understand that while I was out the question of the pedigree of the Canada Oil and Gas Land Regulations came out. Unfortunately I was called to the telephone, and I would just like to point out to the committee that these regulations emerged out of a long period of consultation with the industry, with a view to encouraging early exploration, development and final exploitation, while at the same time preserving the public domain because this is a potentially rich mineral area in the North.

• 1155

When the regulations were approved in 1961 there was an immediate response by the industry because they had been consulted right along with the Winter Harbour development. While there has been some delay since then in proceeding, as I said earlier, I think the industry should be complimented for persevering and finally getting a major development of this kind. I am very pleased to see that the regulations are still compatible with the needs of the North.

The Chairman: Thank you, Mr. Dinsdale. I have a number of questions that I would like to ask Mr. MacDonald, Mr. Taylor and Mr. Godfrey. I would like to say initially that one point which I think we all recognize now and which unfortunately very few Canadians realize, is that the natural resources of the Northwest Territories and the Yukon belong to all Canadians as distinct from the natural resources of each of the provinces, and in this natural heritage we all have a joint interest. Every Canadian citizen, no matter whether he is a Quebecker or a British Columbian, has an equal interest in these resources. Therefore the Panarctic concept in my view is not only contributing to the development of the North. I think it is making a contribution to Canadian unity and has a real potential to contribute in the future to Canadian unity because of the fact that we all have a joint interest in this venture. I am expressing my view as an individual Member of Parliament. I would like to see this concept expanded and I would like to see other ventures like Panarctic in the Northwest Territories and in the Yukon.

I approve wholeheartily the concept of the government participating in a minority way with private industry, but with Canadian private industry, and although I think perhaps in the future we might have other ventures in which there would be foreign interests, I think that the encouragement which Panarctic has given to Canadian industry participation is a good thing and should be a guide for future action in this if we decide to do anything further along this line.

I will address my initial question to both Mr. Taylor and Mr. Godfrey. Is it not the case, gentlemen, that if the Prudhoe Bay discovery had been made prior to the setting up of Panarctic, in all likelihood Panarctic would never have been set up? You may not want to commit your companies in this respect, but would you mind telling us whether you think your companies would have been as interested in entering into a partnership with the Canadian Government if interest in the North had not been at a rather low ebb?

Mr. Taylor: Mr. Chairman, I think that is a rather hypothetical question. I do not know whether I can answer it.

The Chairman: Mr. Godfrey?

Mr. Godfrey: I think the logical answer would be that we would not have joined with the government. We would have explored this as another prospective area the same as the Northwest Territories, Alberta, or any of the provinces.

Mr. MacDonald: I think if I could supplement that and take the gentleman off the stop. I think if Prudhoe Bay had existed, and the climate then prevailing, Dr. Sproule would have succeeded originally, and therefore the question of government participation would simply not have arisen. Our participation in the role was in the given circumstances. It was about to fail and we had to conceive of something, and then we saw these other attributes. Industry happily welcomed it after an initial moment of surprise, but I can say because I was personally involved as much as anyone in this from the very beginning that after this moment of surprise the industry warmed to this idea and we saw this thing with absolutely the same view at every stage for what it meant to Canada and what it has come to mean.

• 1200

The Chairman: Because of one of the important factors which I feel is an element in this whole venture, which is the contribution it makes to a sense of Canadian participation in Northern development and the contribution to Canadian unity, do you feel that your companies in the future would be more open to this concept of participation with the government in such ventures?

Mr. Godfrey: It would have to be a similar type of conditions. I do not think that all industries would participate with the government in readily accessible areas or some places where the government's help, as in the Arctic, is very real. We are all individual companies.

The Chairman: But there is an interest in every company in decreasing the risk in any venture and now if the ice has been broken risk reduction might or might not be a factor in interesting private industry elsewhere in Canada in participating jointly with the government in an exploration or prospecting enterprise.

Mr. Godfrey: This is entirely possible. At the same time it reduces the risk it reduces the price. This is the difficulty to solve.

Mr. MacDonald: I could say, Mr. Chairman, that from the Department's point of view with respect to that question, we do see applicability of this idea elsewhere. In fact I have one specific instance in mind which we will be developing at the appropriate time. It will not be exactly the same, but it will be quite analogous to the Panarctic concept. Having been so well received, we think that it has indeed created a climate. The spin-offs in government in its relations have been very real. I think industry members would agree that it has worked very well and we want to apply it in an area which I cannot mention at the moment because it does involve negotiations.

The Chairman: Has there been any serious criticism within industry itself of your company's participation in this venture by other oil companies who have not contributed? Have they regarded you people as being rather naughty for having entered into a partnership with the government in this regard?

Mr. Taylor: No.

The Chairman: You have not had this?

Mr. Godfrey: No. I would just like to add to that, as a matter of fact, that there are more people not in Panarctic who wish they were in Panarctic, including all the major oil companies.

Mr. Dinsdale: May I ask a supplementary, Mr. Chairman? I think in the initial stages in the North that this sort of co-operation is inevitable, but maybe Mr. MacDonald can verify this fact. The Department has long had the slogan "woe unto them who sit on their frozen assets". I think we had reached the position with reference to the Canadian North

where the government had to seize the initiative because of the obvious initial difficulties, and I presume that is still the Department's slogan. I would also further anticipate that when your first Northern Leduc comes in there will no longer be any problems in participation of private industry.

Mr. MacDonald: I used the expression in my last speech in Los Angeles. It was very effective down there.

• 1205

The Chairman: On the business of leasing land from the government for initially permit-taking, then leasing, do you as representatives of private Canadian industry feel that it is an acceptable situation that the 1961 regulations should be interpreted in a way in which a company which is not even listed on a Canadian Exchange can acquire the permits, and then only when it has reached the point where it wishes to acquire land for leasing is it obliged to become listed on a Canadian Stock Exchange which indirectly requires it to be at least 15 per cent Canadian owned? Do you feel that this flexibility is a good thing, or do you feel that the same rule should apply perhaps to permits as to the leases themselves which would require that any company which is given a lease by our government should at least have the minimum requirement of a permit?

Mr. Taylor: No, I think that the present arrangements are better than the present suggestion that you are making because if you did have such a provision, you would eliminate many of the companies in the oil business, or you would make them change, or maybe they would not change. The more companies you have involved in exploration, the more work you will get done, and I think what we need to encourage is these explorations by anybody who is willing to put up his money.

The Chairman: Mr. O'Connell, before you leave do you have any further questions?

Mr. O'Connell: No, thank you very much, Mr. Chairman, I think I had plenty of time. I am sorry I have to leave.

The Chairman: On this permit granting process, do you not feel that if a company were forced to become at least a 15 per cent Canadian company it would do this? Do you not feel that the majority would do this, if they were forced, and that the potential prizes are such that these companies would conform to this minimum requirement?

Mr. Taylor: I do not know how many it would eliminate. I would think, though, that any time that you try to enforce such a thing with companies, let us say, that are American or French or what have you, you are imposing something on them which they may not like. At the present time the climate for them to work in Canada is good and you do have all these American and European companies exploring in Canada. I think that if you do impose things on them that they do not like it may eliminate some of them who do not like this provision.

The Chairman: But over the long run, Mr. Taylor, the fact that a company has acquired the permit on a given number of acres in effect providing it follows through and spends the money, that initial five-cent permit which it acquires is an absolute option, that is, providing they continue spending money, they can eventually acquire title to that land for all purposes, and therefore this in effect gives, for example, Aquitaine or any large American company for five cents an absolute option on an acre of our Arctic land without any requirement that that company have a single Canadian shareholder.

It seems to me that this is not good enough because supposing that we accept that there is oil in the Arctic and that eventually it will be found, is there any absolutely pressing reason why the need for exploration is so urgent now that we should encourage these people to go in without any possibility of Canadian participation in the results? I just want to know why you feel the need for exploration and prospecting for oil in that area is so urgent that it warrants this type of regulation which allows a company to go in without any Canadian ownership.

Dr. Woodward: There is the option to the permittee to select leases, but the option can be exercised only if it qualifies under that section. In other words, there is no availability of mineral rights unless, indeed, it does qualify under Section 55, which demands Canadian participation. So really the exploration permit is simply that it has the ability to explore. Indeed the reason for this is to get that investment capital in the exploration stage. You find nothing unless you explore. And this is, I think, the disadvantage of the suggestion here; that indeed it was only in the Canadian companies, which we notice

from the examinations that have been made in manufacturing, resource industry and so on, that there is an inadequate amount of capital available to explore in the dimensions that this requires in Canada. And indeed we do have to look to foreign companies to provide that money. They have to qualify; indeed this does compel, if you will, companies to set up Canadian subsidiaries, to list on the market, to bring this within the orbit of Canadian control. Here is a device, indeed, which in a sense contributes to the over-all government policy of trying to restore control of the Canadian resources to Canadians.

The Chairman: Do you feel that the listing requirement is sufficient? I was not aware that various Canadian exchanges required a 15 per cent Canadian participation in order to allow listing.

• 1210

Dr. Woodward: They demand that a certain amount of stock be traded; in other words, they do not allow a company to list its stock; indeed, if it is so closely held there is no trading at all.

The Chairman: Therefore the Canadian exchanges which we depend upon to enforce the Canadian participation in these companies do not even require a 15 per cent ownership. It is only 15 per cent of the trading, and 15 per cent of the stock?

Dr. Woodward: That is correct.

Mr. MacDonald: I might say, Mr. Chairman, on that point that we make no representation that the participation clause really achieves a very significant degree of Canadian ownership. This was a legislative attempt to do this. We have looked at a variety of other legislative ways to try to do this but we cannot think of any better, and frankly that is one of the reasons why we like Panarctic. It is the only way we have ever found which we really can be sure is going to be Canadian owned, because we cannot go by second, third and fourth degrees of ownership in our type of enterprises that we have. We could not set up a system which would police it, so one of the principal attributes of the Panarctic system or that 45 per cent was that it is the most permanent and most unambiguous way of assuring Canadian control. I want to make it clear that we do not pretend. These are the regulations, this was the desire, we try to enforce it, but we do not kid ourselves about it.

The Chairman: Mr. Dinsdale.

Mr. Dinsdale: I believe it was unique and I think it is still unique in the handling of Canadian resources. I do not think any other province has this requirement.

Dr. Woodward: One of the thoughts here is as a consequence, the development resources of the North we might say are at an investment disadvantage, it seems to me, to the provinces because they do not have that stipulation in there. As a consequence there are many companies, as Mr. Taylor has already indicated, who would prefer, because they can accommodate to the situation, to re-restrict their investments to the provinces and not venture into the North at all. Indeed when the provision was brought in there were numerous companies that essentially pulled out of the North because they had no agreement, indeed, that they would ever attempt to accommodate to this provision.

Mr. MacDonald: This is one of the problems, Mr. Chairman and members, that we had to be careful with in making the North a guinea-pig with respect to these desires. They are not in fact universally applied throughout Canada. Canada is the greatest net importer of capital in the world, and within Canada we who have the responsibility for developing the north are competitors, in a sense, with the rest of Canada.

There are numerous alternative investment opportunities and we have to play this with some considerable delicacy if we are not to fail in our task of developing the Canadian north.

Mr. Dinsdale: Mr. Chairman, can the expert witnesses before us say whether the Crown reserve system that was introduced provides sufficient protection for the public interest in these cases because the Crown still retains control over a large area?

• 1215

The Chairman: I am not sure, Mr. Dinsdale, if you were here when that question was asked this morning, but I think it was touched on in an answer...

Dr. Woodward: There are two Crown reserves.

Mr. Dinsdale: It is very pertinent to the questioning at the moment.

Dr. Woodward: Yes. In the case, first, of permits which are surrendered *in toto*, these

again become available, also in permit form, at sales, and the same types of companies, or any applicant over 21 years can be licensed to do business...

Mr. Dinsdale: But the Crown can determine who gets...

Dr. Woodward: Yes; but in the case of the leases the balance of the acreage in a permit from which leases have been taken reverts to the Crown as Crown reserve. It can only at the moment be taken as leases and, as a consequence, section 55 pertains to all those participants at public sales. They are the only ones who qualify. To gain right to the minerals really demands that they qualify for section 55 irrespective of whether it is by first-filing, by sale, or by any other means.

The Chairman: Perhaps, Mr. MacDonald, you could explain to us what the royalty procedure is when oil is discovered.

Mr. MacDonald: I will let Dr. Woodward answer that.

Dr. Woodward: There are two things. First of all, a company can, essentially, go to lease on the permit at any time. The most rational way, because of the marked escalation of rental and other costs attendant on the lease which are not attendant on the permit, is for the company normally to defer going to lease until it indeed has a discovery, and then it selects its acreage.

Having done that there is a lease rental which is now $1 an acre a year except in the first year, when it is 50 cents; but essentially it is $1 per year.

One can see that this is considerably different from the $2.90 or $2.70 which it has to expend on exploration work over a period of anywhere from 10 to 12 years. Therefore, that rental comes to the Crown as revenue.

In addition, on all production a 10 per cent royalty comes off the top. In other words, on every barrel produced the Crown has the right to take ownership, essentially, of 10 per cent of the crude produced. Of course, it takes it in the form of cash.

These are the conditions that prevail...

Mr. Marchand (Kamloops-Cariboo): How does this compare with the rate the provinces charge on their Crown land?

Dr. Woodward: It is fairly comparative. In the provinces the maximum rate on oil is $16\frac{2}{3}$ per cent, or equivalent to $\frac{1}{6}$. This is a sliding scale, though under different conditions depending on rates of production. It starts off low and as the capability of wells, and so on, increases the maximum rates pertain. Ours is a flat rate of 10 per cent. This, again, was introduced on the basis of considerable study, with the idea of providing some incentive to venture to the north. It is a rational take, if you will, of the government in consequence and consideration of the cost of the funds used, and the cost of transporting and producing it but it does not remove all incentive from a company to explore.

The special royalty lease, which is the first right of the permittee to extract these other leases from the 50 per cent of the acreage which it has to surrender, escalates, depending on production. It starts off at five per cent over and above the conventional 10 per cent royalty rate and escalates to 40 per cent, depending again on the number of barrels extracted from the wells.

The Chairman: I did not quite understand that, Dr. Woodward. Where does this 5 to 40 per cent apply?

Dr. Woodward: This is on the leases taken from the other 50 per cent.

Mr. Smerchanski: Mr. Chairman, I have to attend another meeting at 12 o'clock, and I am going to have to leave. It looks as though this meeting will be almost completely unattended.

Mr. Dinsdale: Mr. Smerchanski and I have to welcome a very important delegation from Manitoba, so I also will have to excuse myself.

I regret having to leave at this stage because the testimony of the witnesses is very enlightening, and very important and encouraging. I am sure there is no disagreement in this Committee on what you are doing. We give you our blessing.

• 1220

Mr. Southam: Mr. Chairman, I am sorry. I came in late. I had to attend a very important meeting of the Standing Committee on Agriculture. It has just finished.

The Chairman: Gentlemen, I have a number of questions the answers to which which I feel we should have on the record.

Mr. Borrie: Perhaps it may not be necessary to have the meeting tomorrow morning.

The Chairman: We have another witness tomorrow morning, Dr. Thompson, of the University of Alberta...

Mr. Borrie: On Panarctic?

The Chairman: On the oil-leasing policy. He has done some comparative studies on oil-leasing policies. It will not be on Panarctic; it will be on oil-leasing generally.

We are now discussing on royalties. You had explained that on the other 50 per cent on which each company has an absolute option, there is a royalty variation of from five to 40 per cent. Does this depend on how much is taken out?

Dr. Woodward: Yes; in fact, here again it is broken down by belts. The more extreme royalty provisions apply to the southern belts, the areas where transportation is less costly, and so on. As you go farther north, and finally up to the Arctic, the provisions become less stringent, and depend upon production. For example, if only 0 to 16 barrels are extracted from a well as a daily rate, five per cent extra royalties pertain. This is all, by the way..

Mr. MacDonald: It is five along with the ten, which is 15 per cent?

Dr. Woodward: That is right. Similarly, if it is 16 to 32 it is 15 per cent on the increment; on 32 to 64 it is 20 per cent on the increment, and so on. You find that the range of these special royalties goes, essentially, from five per cent to 40.

This information is in the material which we submitted to you. It is Order No. 1, 1961, from pages 43 to 53 in the book of regulations.

The Chairman: Dr. Woodward, on the basis of this 10 per cent royalty, plus, I believe, the 51 per cent income tax chargeable by the federal government on the net profit...

Dr. Woodward: Fifty, I think.

The Chairman: ... would there be depletion allowance unless...

Dr. Woodward: Depletion allowance would pertain to the corporate income to which the 50 per cent would apply.

The Chairman: In this situation how does the revenue to the Canadian people compare with what exists, for example, in Venezuela, or in the various Middle East countries with oil fields? Do Canadian citizens get as much out of our oil, or do they have the prospect of getting as much profit out of our oil?

Dr. Woodward: It is commonly pointed out by oil industry members who have studied this intently—and I suggest that perhaps you should pose this question to Dr. Thompson tomorrow—that the extraction of revenue from natural resources, particularly oil and gas, in Canada exceeds that of the Middle East countries, even though the Middle East countries are always protesting about their having extremely severe conditions. When one computes our taxes and all the other things we extract from them, including Crown sales and the rest, the conditions relative to the extraction of oil and gas are indeed far more loaded in the favour of governments here than they are in the Middle East countries.

The Chairman: This has been the case in our provinces. With the set up which you have for the Northwest Territories will this also be the case?

• 1225

Dr. Woodward: Ours is essentially the same. As I have indicated, the conditions of the special royalty provisions were particularly to provide an incentive to effective production, with the idea of decreasing the cost per barrel—essentially to the consumer, if you will, but to make sure we had an entry to markets; that we were not loaded with high cost oil with which we could not compete.

The Chairman: How does this compare with Venezuela, which I understand has a very high royalty fee of about 70 or 80 per cent?

Dr. Woodward: I cannot answer that question. I do not have definitive information on this.

To comment generally, it is my understanding that when all these things are totalled up the conditions in Canada are every bit as severe as they are in Venezuela and the Middle Eastern countries.

The Chairman: In France, with government participation perhaps in the two major exploration ventures in oil companies—Aquitaine; and I do not know if it also has an interest in Petropar—does the method used there, of combining taxes, royalties and direct participation, produce greater revenue to the French government than does our method, or are you in a position to answer that?

Dr. Woodward: No; I do not have any information, other than a general comment, again, that I think perhaps Dr. Thompson will...

Mr. MacDonald: If I may comment on that, I do not think the conditions are equal. Petropar and Aquitaine are essentially working on non-resident oil, so we are not talking about what a company gets for its oil.

I would add, however, that with Panarctic, which I pointed out earlier has a volume of sedimentary deposits equal to the three Prairie Provinces combined, we will have that and better. In other words, we have probably half our potential. The Government of Canada owns 45 per cent as a principal, and will get its royalties as well. Therefore, this $9 million may well prove to be a very good investment.

Dr. Woodward: We get the royalty, of course, on that 55 per cent which the participants own, so really between our 44 per cent equity and the royalty provisions we are going to take more than half of the oil produced in this venture, when it is produced.

The Chairman: In the 70 million acres which have been leased since Prudhoe Bay—those that have been granted over the last few years—is there any written provision in any of the permits requiring the companies, where possible, to engage native people or inhabitants of the north?

Mr. MacDonald: No, we have never put those conditions into the general laws. We have however, been trying—as I indicated to the Committee lately—to point out to the industry directly that unless they do act public opinion would probably demand some such thing and that they had much better do it directly.

The Chairman: Apart from Panarctic, Mr. MacDonald, do you happen to know, who are the three other largest leaseholders in the Arctic?

Dr. Woodward: Within the Arctic islands?

The Chairman: No; let us include the Northwest Territories, the Yukon and the Arctic islands.

Dr. Woodward: The three very large ones, quite obviously, are Pan American, Imperial Oil and Petropar, or Elf Oil Exploration and Production (Canada) Ltd. That is its new name. They are three very large-acreage holders, but there are many others that come very close.

The Chairman: To your knowledge have these three companies made any attempt whatsoever to hire native peoples in the North on other than on a sort of casual or non-intentional basis? They may have happened to have done this, but to your knowledge do they have any policy by which they attempt to hire such people for any of their activities in the Northwest Territories, the Yukon or the Arctic Islands?

• 1230

Dr. Woodward: I would say they have not had a policy in th s respect in the past, but I would like to add that when you mention "casual", the phasing of exploration in Canada's North is a more or less casual thing. It is not a persistent, 12 months of the year effort. The very conditions of permafrost, breakup and the transportation media almost compel all exploration, geophysics and drilling to be conducted in the winter months only. Some surface exploration is done in the summer.

In the Arctic it has been somewhat the reverse. The seismic work has been done in the summer, because it is the only time we have daylight. In the winter time darkness precludes effectively doing this work. There has been no production activity and the only producing field in northern Canada is Norman Wells where Imperial Oil, in this particular case, does employ residents; in fact, all the personnel there are residents of the Northwest Territories.

Companies have, rather incidental to this in and out type of venture, utilized Indians and Eskimos. In fact, Mr. Godfrey's company at its Winter Harbour well, specifically with lead time brought down six Eskimos and trained them here again in the industry school so they could actually be employed on that Peter Bawden rake which drilled that well.

This was back in 1961-62, so even at that time with forethought this particular company engaged in this practice. Over the past year or so essentially we have been providing this as a moral obligation, if you will, to many companies and quite a few companies have...

The Chairman: Since what date?

Dr. Woodward: In the last year and a half it has been indicating to companies that

indeed there is a necessity. This is one of the objectives of natural resources development in the north.

The Chairman: If this Committee were to ask someone from Pan American Petroleum Corporation, Imperial Oil Limited and Petropar Canada Limited to come down here and explain what they are doing they would have had one and a half year's warning in this regard.

Dr. Woodward: Pan American, for instance in the Pointed Mountain area, has employed Indians in line cutting, in unloading requirements and so forth. This is the local labour force and as a consequence it has been utilized. Mobil Oil Canada, for instance, is another one that had a $10 million project in the Eagle Plains area of north central Yukon and it employed Indians in the immediate area—the old Crow Indians—quite extensively for line cutting and that type of work which requires very little skill and, as a consequence, they accommodate to it.

Western Minerals acted in the same area and have done the same thing. In other words, where the local labour source has been available and there has been a need for that type of labour they have, for their own benefit, sought the most immediate source rather than bringing people in to do something that people on the ground can do.

The only reason that the oil companies have not been able to pursue this employment requirement to the ultimate is because it is only part-time employment. They are only up there for 3 months; as a consequence they are staffed for 12 months a year work. They are normally deployed in the western provinces, normally skilled people, and they are equipped with permanent staff and their staff goes up there for three months and then comes back. There is no need to look for extra personnel.

Most of the work is highly skilled and there are technical requirements, and to provide that sort of training for only three months work for Eskimos and Indians is probably not immediately rational. So, we are just getting to the stage where the oil industry is beginning to have a continuous need. Panarctic is a case in point; 12 months a year now is its program and, as a consequence, it provides permanent 12 months employment for natives and, indeed, they are starting to do so.

Mr. MacDonald: At skilled levels, too.

Dr. Woodward: Yes.

The Chairman: Are there further questions from the Committee?

Can you, Mr. Godfrey or Dr. Woodward, compare the Arctic to the Middle East oil fields geologically? Is there some similarity? It seems to me I have heard there is a similarity between the two in some of the formations. Is this accurate?

• 1235

Mr. Godfrey: I will have to defer to Dr. Woodward, but I know the industry generally feels this is a very highly prospective area and the structures that have been seen to date are somewhat like the huge Middle East structures.

Dr. Woodward: There are two things that are similar to the Middle East. One is the nature of the outcrop, the Middle East being a true desert and the Arctic Islands being an Arctic desert, if you wish. As a consequence there is very little soil, the rocks are exposed at the surface. You can actually see the geological main. It is not under a glacial till which you have, say, between most of the provinces, where you have to feel for it by drilling, or by doing seismic work—indirect methods of exploration.

Here you can actually see the structures. Most of the surface structures have been mapped by aerial photographic means. Many of these structures are parallel, they are broad. They are three to five miles in breadth. Some of them have the longitudinal extension of 100 to 120 miles. It is these features which equate very closely to the characteristics in the Middle East fields. It is on that basis, with such large structures and such large receptacles for possibly accumulating oil, that has given rise to that analogy—you know, having been very commonly brought up. Of course, a lot of it is enthusiasm, but the physical comparison is valid and can be demonstrated.

The Chairman: On the question of leasing you have indicated that Panarctic, Mr. Taylor, was able to acquire pretty well all the leases it wanted. I am confusing the term lease with permit, but it has acquired all the permits it felt were additionally necessary since your consortium was originally set up. Now, my question is: Do you feel that because of this Prudhoe discovery other areas have opened up you might have wished to have leases on but you have been restrained,

perhaps from the point of view of finances or otherwise, in acquiring more than the 6 million you have acquired additionally? Do you feel that you got what you wanted? Is Dr. Sproules happy with what he acquired additionally? Are you all happy with what you have acquired additionally?

Mr. Taylor: Yes. Our staff has analysed all the area up there among the Islands and we are restricting our activities to the Islands, not on the mainland. On the Islands we do feel that we have the most prospective acreage.

The Chairman: You people have not looked at the Hudson Bay area at all, have you?

Mr. Taylor: No, we have not.

The Chairman: Therefore, it is a fact that Prudhoe has indirectly, I suppose, stimulated interest in the Hudson Bay area. Well, you simply had no plans there initially and you have not developed any?

Mr. Taylor: That is right.

The Chairman: And you have no intention of doing so.

Mr. Taylor: We have no intention at this time, Mr. Chairman.

Mr. Godfrey: Plus the fact that several of the participants in Panarctic are also operating oil companies on their own and operating elsewhere on their own. For instance, my particular company for example has acreage in...

The Chairman: With the new techniques used now, including computer techniques, is it not accurate to say that although the discovery at Prudhoe might have been one out of a hundred thousand, with a combination of seismic studies and computer techniques you can narrow down the choice of well sites a lot better than you used to be able to?

Mr. Godfrey: You can certainly define what we call a prospect better, because the instruments we now have are more improved. However, this does not tell you whether there is oil and gas there.

• 1240

The Chairman: It has not reached the stage of development where you can prospect with almost some certainty.

Mr. Godfrey: Regrettably, no.

Dr. Woodward: This is the difficulty; even in the past surface structures and subsurface structures needed to be found and the means of doing this are far more precise now. But we do not know whether this structure which is about as close as we can get is a potential trap—it is just the same as a couple of bushes out in the field that might be a good site for a few grouse to be waiting, but you can never be sure there are any there, so it does require the drilling eventually.

The idea, of course, is to be as selective as possible as Mr. MacDonald said before, and the idea is to run ahead with a seismic, evaluate and assess your acreage, pick out the most prospective sites and then confine your expensive drilling phase to the most prospective sites you are able to determine.

Mr. MacDonald: You are trying to reduce your risks, but you cannot eliminate them.

The Chairman: Are there any other questions, gentlemen? Mr. Southan do you have any questions?

Mr. Southam: I think not. As I said, Mr. Chairman, I came in late and I have been listening with great interest to the questions you directed to the witnesses. I feel, and I presume it is the feeling of other members of the Committee, that we have done a pretty fair exploratory job on the development in the North so far as Panarctic and other oil developments that are taking place are concerned.

The Chairman: I have one other question you might be able to answer. Would it be worthwhile for our Committee to go up North next summer to have a look at your operations?

Mr. MacDonald: I think that is a good idea.

The Chairman: Would there be sufficient operations...

Mr. MacDonald: We will try to bring in a well for you.

The Chairman: Good.

Mr. Godfrey: By next summer, say at the peak of the summer during the first two weeks in August, there should be at least two rigs and a seismic crew operating.

Mr. MacDonald: We took a group of the directors and press on a weekend flight up and even without much surface activity it was a tremendous experience for everyone. I

think by next year we will have a bit more and I think the Committee would enjoy the high Arctic.

The Chairman: When would be the best time to go? In late July or early August?

Mr. Godfrey: Do you want the best weather or do you want to really know what the elements are like?

Mr. McDonald: The Committee might be away a week or two.

Mr. Yewchuk: Mr. Chairman, may I make a motion that the Committee go in toto next summer to observe these developments first hand?

The Chairman: This will be considered by our steering committee. I think I sense a certain approval in the Committee for this idea, and if it is at all possible next summer I think the Committee would like to get up there.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I wonder whether it could be worked in with the Minister's northern tour. Is he going to continue having what has been called a northern tour?

Mr. MacDonald: Yes; we are running so many now I do not know which one you are referring to, Mr. Marchand, but some years ago we adopted the deliberate policy of trying to bring as many people, industry leaders, and press, to the North as part of our need to communicate the potentiality and I think it has paid off. Certainly having a parliamentary Committee up there would be a very vital part of this communication function.

Mr. Southam: Mr. Chairman, I think your incentive for going up North possibly was due to the fact that you and I and several other members of the Committee were exposed in 1966 to a wide area of the North and found it very informational, very educational and instructive. I would go along with this idea; if it could be arranged I would be in favour of it, Mr. Chairman.

• 1245

The Chairman: Good. Thank you very much, Mr. Taylor and Mr. Godfrey for coming here today. We have been happy to hear the industry's view of Panarctic and I think you were able to answer the questions we put to you to the satisfaction of members of the Committee. If we find that we need to have additional questions answered we will be in touch with you again next year.

Gentlemen, tomorrow we are going to have Mr. Thompson of the Alberta Law School who has done comparative studies on oil leasing policy.

APPENDIX J

(Article published in the
Montreal Gazette of
December 3, 1968)

Alaska governor's view
Canada's Arctic effort praised

WASHINGTON—(CP)—Gov. Walter Hickel of Alaska says Canada is doing "more in one year in their Arctic than the U.S. has done in 25 years in Alaska's Arctic."

"As you move north, you find the government has to lead more," says the Republican governor. "How do the Canadians open up their Arctic? Through leadership by their government in conjunction with private industry and capital."

Hickel's praise of the Canadian techniques, couples with brusque criticism of the U.S. attitude to their Arctic territory, is recorded in an interview with the weekly magazine U.S. News and World Report.

Canada and the Soviet Union see the market potential of the Pacific basin but the U.S. doesn't, says the man who has been given long-shot mention as secretary of the interior in President-elect Richard Nixon's administration.

He urges completion of the federally-owned Alaskan railway as far as the Arctic Ocean.

He also wants development on the north coast of a "composite area, a self-contained community where you have the things that Arctic villages don't have now."

"The Canadians have built as much railway in their Arctic in the last couple of years as we have built in the last 50."

Hickel says this is the only way to tap Alaska's petroleum, timber and fisheries wealth.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

FRIDAY, DECEMBER 6, 1968

Revised Main Estimates (1968-1969)

Including

a) List of Witnesses,

b) Appendices printed,

c) Exhibit filed.

WITNESSES:

Dr. A. Thompson, Professor of Law, University of Alberta (Edmonton). *From the Department of Indian Affairs and Northern Development:* Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29532—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,	Howard (*Skeena*),	Nielsen,
Borrie,	Laprise,	O'Connell,
Buchanan,	Lessard (*Lac Saint-Jean*),	Orlikow,
Cullen,	Marchand (*Kamloops-Cariboo*),	Simpson,
Dinsdale,	McKinley,	Smerchanski,
Duquet,		Southam,
Forget,		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

(*Text*)

MINUTES OF PROCEEDINGS

FRIDAY, December 6, 1968.
(10)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.45 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Buchanan, Durante, Duquet, Lessard (*Lac-Saint-Jean*), Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Simpson, Watson, Yewchuk—(12).

Also present: Mr. Howe, M.P.

In attendance: Dr. A. Thompson, Professor of Law, University of Alberta. *From the Department of Indian Affairs and Northern Development:* Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

Mr. Bergevin tabled, for distribution to members of the Committee, material pertaining to questions raised in the course of the meeting of November 14, 1968, together with published information on the Canadian Wildlife Service.

The Committee also *agreed* that a map with overlays indicating the flyways which are in the path of Indian reserves be made an exhibit. (*Exhibit 1*)

The Committee resumed consideration of the following item listed in the Revised Main Estimates for 1968-69, relating to the Department of Indian Affairs and Northern Development:

20—NORTHERN PROGRAM—Administration, Operation and Maintenance, etc. $40,466,300

The Chairman introduced Dr. Thompson, who spoke on the question of Canada Oil and Gas Land Regulations.

Dr. Thompson was then questioned. A comment was made by Dr. Woodward during the questioning.

The Chairman thanked Dr. Thompson for his appearance before the Committee.

At 11.10 a.m., the Committee adjourned to the call of the Chair.

Fernand Despatie,
Acting Clerk of the Committee.

29532—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, 6 December, 1968

• 0946

The Chairman: Gentlemen, the meeting is called to order. I have been informed by the Department that they wish to table the answers to certain questions asked at some previous meetings.

Mr. J. B. Bergevin (Assistant Deputy Minister, (Economic Development) Department of Indian Affairs and Northern Development): The Deputy Minister will not be able to attend this morning as he had to take his wife to the hospital.

Mr. Chairman, when the Canadian Wildlife Service Estimates were discussed several questions were asked by Committee members and I am pleased to table this morning the material requested at that meeting. Mr. O'Connell requested an indication of the flyways in relation to Indian reserves. I have handed to the clerk as an exhibit a map with overlays indicating the flyways that are in the path of the Indian reserves.

I have also forwarded to the Clerk's office some published information on the Canadian Wildlife Service which he will distribute.

The Chairman: Thank you, Mr. Bergevin. Does the Committee agree that these answers be tabled?

Some hon. Members: Agreed.

The Chairman: We now resume consideration of Vote 20, Northern Program, listed in the Revised Main Estimates for 1968-69 relating to the Department of Indian Affairs and Northern Development, Administration, Operation and Maintenance, and so forth.

It is now a pleasure for me, gentlemen, to call upon Dr. A. Thompson, Professor of Law from the University of Alberta in Edmonton, who is one of Canada's acknowledged experts in oil leasing policies. He has done a number of comparative studies in oil leasing policies and we are most grateful to him this morning for his having come down here to address us on such short notice. We appreciate his generosity with his time very much.

Dr. Thompson, if you will address the Committee we will question you later.

Mr. A. Thompson (Professor of Law, University of Alberta, Edmonton, Alberta): Thank you, Mr. Chairman. May I begin by stating my qualifications to speak on this subject. I began studying oil and gas law in 1950 when I received a research grant from my university in order to gather what Canadian material was then available on the subject. Out of that initial research, in 1955 the three volume publication *Canadian Oil and Gas* came and this publication established David Lewis, Q.C. of Calgary and myself, as co-authors, as somewhat authorities in this field.

During the years since 1950 I have been a law teacher principally at the University of Alberta. There I teach oil and gas law to undergraduate students and I also teach oil and gas law courses to graduate students, most of whom come from foreign countries. Next month three Australians and one New Zealander are coming to Edmonton to begin the petroleum graduate program.

• 0950

I have had numerous articles published in legal periodicals, and in recent years they have been directed to questions of oil leasing policies of governments. I have written about the Australian off-shore petroleum code. I have done comparative work with respect to the oil laws in Alaska and in northern Canada. I have written about sovereignty in natural resources, and this subject has been very much a matter of my personal interest and concern. In addition to my teaching and research I practise as a consultant, giving legal opinions on oil and gas matters.

I have no direct experience as an oilman. I have never managed the expenditure of thousands of dollars in oil explorations, or had to account to shareholders or a parent company, and I am conscious of the danger of superficial comparisons between one geographic and economic region and another, but I believe that comparative study of the petroleum laws of different countries can be instructive in

examining old policies and formulating new ones. I hope I can be objective, and I warn you—as you will know—the subject is complex and on many questions I have not yet reached very firm conclusions.

My views are formed within certain parameters, I know that the industry operates on a world-wide basis. I know that the present system in Canada is based on private investment and that foreign capital is an integral part of the system. I know that private investment requires incentives proportionate to risks and I know that the public demands that there be no undue exploitation of publicly-owned resources.

I would like briefly to state my views on a few major questions arising under the Canada Oil and Gas Lands Regulations.

In an article in the *Melbourne University Law Review*, I wrote that in countries like Australia and Canada the extent to which the public interest is fostered by legislation regulating the petroleum industry may be tested by asking three main questions: Does the legislation serve a proper balance between the interests of the present generation in maximum exploitation at the present time and the interest of future generations in conservation and preservation of resources: Does the legislation achieve maximum revenue returns consistent with a desirable pace of exploration: Has the legislation served to balance on one hand the need for foreign investment to keep a petroleum industry flourishing, and on the other hand the need to maintain and foster the values of national sovereignty.

I would like to deal with the second and third of these questions first of all, sovereignty over resources. Section 55(2) of the Regulations is intended to Canadianize northern development. Apart from the question of whether I agree with or oppose this policy, I have strong reservations about the efficacy of Section 55. It is an invitation to good lawyers to exercise their ingenuity to devise means whereby their clients—foreign oil companies—usually at considerable expense, can reorganize their Canadian operations so as to comply in form with really no appreciable increase in Canadian content.

On the basic policy questions it seems to me that the Northern Mineral Exploration Assistance Regulations offer a more constructive approach than the negative approach of Section 55, but the drafting of regulations, the spirit of which cannot be evaded, remains a challenge to the legal advisers of government departments. I would not be confident that the Assistance Regulations are so watertight as to prevent assistance going to companies which lie outside the scope of those intended to be benefitted.

Restrictions on foreigners, particularly in the investment field, have a long history in this country as in other countries. You would be interested to know that the first Canadian restriction on oil leasing was imposed in 1914 in the then Department of the Interior Regulations. So far as I know, there is no published research into the many legislative attempts to restrict foreign investment and into their success or failure and I believe it is a subject of research that should be undertaken.

At the present time my view is that instead of restricting foreign entry into the northern oil lands, we should concentrate on ensuring that the terms of exploitation offered to developers, whether national or foreign, are in the public interest, not only now, but in the years to come. I will say more about this in a moment.

The second heading, Revenues and Incentives, involves balancing the highest revenue returns to the state with the highest incentives towards exploration and development assuming, of course, that your aim is rapid exploration and development. It is a highly complex question because it involves not only the leasing regulations, but also the income tax law, other tax laws, and the over-all fiscal and monetary regulations.

It should be realized that the provisions in the oil and gas leasing regulations for bonuses, rentals and royalties can offer far more direct, simple and flexible means for raising revenues for the state than any provisions of any taxing statute. Therefore, from the point of view of public revenues, it is worth while concentrating attention on the oil and gas legislation.

There are many incentive features in the regulations, and I am sure you are familiar with them. In my view I think I would sum them up by saying that all in all these incentives in the Canada Oil and Gas Land Regulations are substantially more generous than those offered in any other Canadian legislation, and more generous than those offered in many other parts of the world.

• 0955

I applaud these incentives provisions, but I do have some reservations. First, I am not convinced that these incentives play the key

role in attracting exploration capital that would justify offering them, even though in the long run they may prove to be detrimental to the public interest.

The oil discovery in Prudhoe Bay, Alaska has had far more incentive effect for the northern lands than any legislated incentives. It may be that these incentives have merely a marginal effect on the rate of exploration so long as they are not grossly out of line with those offered in other petroleum regions. I am just cautioning about the long-term effects of being overgenerous in incentives.

I have reservations about the wisdom of Oil and Gas Land Order No. 1—1961. In addition to providing an incentive to exploration by letting the permittee take the extra land that would otherwise fall back to the Crown, it means that the permittee can ordinarily blanket the discovery with leases and therefore there will be but one oil company as owner and operator of one oilfield. Unitization and the complex regulatory functions required where there are many owners of a single oil field are avoided. Further, the money that the permittee might otherwise have to spend on bonus bids at a public auction to acquire these lands can be spent on exploration. Ultimately the Crown should get its revenues through the additional royalty rates.

These are the claimed advantages, but these advantages are gained at a cost, and my reservation stems from doubt of whether the advantages outweight this cost. The cost is the loss by the Crown of the opportunity to offer for sale the portions of a permit which would otherwise be surrendered to the Crown when the permittee makes his lease selection. These portions can be semi-proven acreage if they lie alongside discovery leases, and they might attract large bonus bids—in the millions of dollars in the Alberta and western experience—but apart from that money factor competitive bidding brings market forces to bear and provides some assurance that fair current prices are being paid. There is a resultant public confidence that the oil resources are being exploited with a fair return to the public. There is an opportunity afforded to new ventures to get a toehold in attractive areas and the advantage of competition among the oil companies may offset the disadvantage of having more than one owner in an oilfield. I am taking your time to express these reservations because I hope thereby to make an important point. The point is that though these regulations are the best we can now conceive for stimulating exploration, the subject is exceedingly complex, and what wears well now may be a serious misfit in the future—and that future can change so fast.

● 1000

A year ago oil exploration in the North was almost at a standstill. Now Prudhoe Bay has set a pace of exploration that could scarcely be hotter. The Australians had barely completed their new offshore petroleum code, with highly attractive incentive provisions, when the Esso—BHP consortium made discoveries in 1967 and 1968 with their first offshore wells that will bring 300,000 barrels per day to the Australian markets by 1970.

I am firmly convinced that the most important provisions in the petroleum laws from the public interest point of view are those which deal with the duration of permits and leases and the entrenchment of royalty rates. If these are made excessively long, there will be public hostility and charges of monopoly, of undue exploitation and of a "sell-out" of resources. But if they are to endure only a reasonable time the public will more likely be satisfied that the oil resources are being properly husbanded, for excesses can then be corrected.

OPEC, which is the Organization of Petroleum Exporting Countries, and those are the countries of Venezuela, Indonesia and the Middle East countries, issued a Declaratory Statement of Petroleum Policy in Member Countries at its Baghdad meeting last month. I have only a draft of that statement for reference at the moment, but it is interesting the way it deals with duration and royalties. It says:

> Contracts between the government and an operator for the development of hydrocarbon resources shall be limited to a maximum period of 20 years, starting with the commencement of commercial production.

With respect to royalties,

> The government may at its discretion give a guarantee of fiscal stability to new operators up to a maximum of 10 years, to run from the commencement of production and commercial quantities under the contracts.

And in these countries, because royalties and income tax rates are insolubly tied together they talk in terms of fiscal stability.

Then they have another provision that says:

> Notwithstanding any guarantee of fiscal stability that may have been granted to the operator, the operator shall not have the right to obtain excessively high net earnings after taxes. The financial provisions of contracts which actually result in such excessively high net earnings shall be open to renegotiation.

These are simply aims, but my point is that there is evident a strong public demand that royalty rates particularly not be entrenched for too long a period of time.

In Alberta and British Columbia the permits and leases themselves provide that they are subject, as to terms and conditions and as to royalty rates, to changes that may from time to time be made in the laws or regulations. The Government of Alberta has undertaken that it will not review the royalty rates more often than every ten years and then the review takes place under a statutory ceiling, in that case of 16⅔ per cent on oil.

It seems to me that the Canada Oil and Gas Land Regulations provide for excessively long permits, with royalty rates too long entrenched. In the area south of Latitude 65° a permit may last for nine years without any area reduction, and then it may be entirely taken under leases for 20-year terms—a total of 30 years without discovery and without relinquishment of any acreage (subject, mind you, to deposit and rental payments which can in turn be offset by work credits on a grouping basis). In the far north the time is 35 years. When the land is proven productive and royalties must be paid, the lessee is entitled to have his lease reissued at the same royalty rate for a 21-year term from the date commercial exploitation begins. Theoretically, this reissue might occur in the thirtieth year of holding so that in effect the present royalty rates of 5 per cent for three years, 10 per cent thereafter, established in the regulations now could remain entrenched until the year 2019.

• 1005

So I conclude by saying that the right to revisit royalty rates at reasonable intervals can contribute to a climate of confidence that the petroleum resources are being justly exploited. It can also contribute to a climate in which the public will be prepared to accept investment capital without undue economic nationalism. This kind of climate is as much in the interests of developers, it seems to me, as it is in the interests of the state.

That concludes the general remarks I would make. I would be very pleased to answer questions. Thank you, Mr. Chairman.

The Chairman: Thank you very much, Dr. Thompson. Gentlemen, do we have some questions? I will lead off with some questions, then.

You mentioned initially Section 55 of the Canada Oil and Gas Land Regulations and you expressed some doubt about its efficacy. Could you explain a bit further?

Dr. Thompson: Yes. I made inquiry at a time when I was studying at Columbia University in New York in 1962 at the head office of one of the major international oil companies. They explained to me the difficulties that Section 55 had provided for them. It had taken considerable effort and had cost considerable money, but they had been able to reorganize their Canadian operations so as to qualify. It meant listing on the stock exchange, but I do not know—and mind you here my experience is limited and I am hesitant—what mechanism the department has, for example, to provide any follow-up on the extent to which the shares once listed are in fact traded. So that if the listing simply means that the company is now public and the shares are now listed but there is no likelihood of their being traded because they are held so tightly within the hands of the parent, I do not know what follow-up there can be. I think that it is a situation where the regulations are complied with in form, but maybe not in spirit.

The Chairman: How do you feel about the application of this section to permits as well as to leases? If we were able to overcome the deficiency which you just mentioned, do you feel that we should be insisting on this applying to permits as well as to leases in the Canadian listing?

Dr. Thompson: I should make my point of view clear. When I criticize Section 55, I am speaking, I think, from a technical point of view. I am not one who is excessively in favour of restriction in the first place. So that I am not likely to say that I would favour having this kind of restriction with respect to permits.

What I was trying to say was that given the viewpoint that such restrictions are necessary, then I think a much better job has to be

done, from a technical point of view, than is done under the current Regulations.

• 1010

I had occasion to see a number of these attempts. You may recall that the Pearson Government introduced a withholding tax differential if a company had a 25 per cent equity participation. This creates all kinds of stunts. I can remember one occasion where a U.S. subsidiary was reorganized so that there were four equity shares, one of which was held by the Canadian solicitor for the company. Thereby there was 25 per cent equity participation and the company would qualify for the differential benefit. My feeling is that we have not yet—I have not yet seen a workable system for effectively excluding foreign investment.

The Chairman: Mr. Badanai?

Mr. Badanai: Would the witness explain a little further the statement to the effect that our regulations are over-generous towards investors, especially foreign investors in Canadian explorations. What do you really mean by saying that our regulations are too generous?

Dr. Thompson: I say this in the context of the long entrenchment of the rights that are given. I do not object to these incentives because I think they are necessary to attract exploration and development, but I think that if you are going to provide generous incentives you must gain the ability to curb them when circumstances change, and my experience has been that circumstances can change.

Mr. Badanai: Can you point to any specific instance?

Dr. Thompson: I think that the Australians ruined the arrangement they made under the Offshore Petroleum Code, at least with respect to the Bass Strait.

The Chairman: Why? Would you explain why?

Dr. Thompson: Simply because—I think I have heard this opinion expressed—they consider that the terms are too generous for the amount of oil that has been discovered by one or two discovery wells. One has to realize that this is all hindsight. My point is not that that incentive should not have been offered. My point is that one should be in a position of flexibility so that if events turn out that could lead to a general public feeling that there has been undue exploitation, then there must be the mechanism for changing the rules of the game, particularly with respect to revenues.

Mr. Badanai: What changing would you recommend?

Dr. Thompson: The particular change that I recommend with respect to the Canada Oil and Gas Land Regulations is that there be introduced a variable royalty rate provision such as you find in the Alberta legislation and in the British Columbia legislation. The permit that is granted in these provinces simply says that the royalties shall be at such rates as may from time to time be specified by the Lieutenant Governor in Council. The provincial government has simply given an undertaking, not in any formal way, that is through legislation, that the rate will be looked at only every 10 years, but in the result that the government sits down with industry representatives every 10 years and reviews the situation, and if the rates are considered to be too low they are revised upwards.

The last revision was made in 1962. The next one will be made in 1972. In this way there is a control, as it were, over this basic element—revenues, so that there cannot be undue returns over a long, long period of time.

Thank you, Mr. Chairman.

The Chairman: Mr. Simpson.

Mr. Simpson: Dr. Thompson, I was going to ask if you could deal maybe just a little further with that aspect that you mentioned, because I am not familiar with this. A field is discovered and, as I understood it, there is a danger of it eventually being more or less a one-operator field. Do I understand that in your view it would be more desirable to have several operators in that field, when producing and, if so, what changes would be required in the regulations to bring this about?

• 1015

Dr. Thompson: Under the present regulations it is still possible for there to be more than one owner of an oil field because the permit boundaries may just happen to run through an oil field. But if the discovery lies entirely within the permit it can be blanketed by the permittee taking his ordinary leases up to 50 per cent and then acquiring the additional leases. I was suggesting that the advantage claimed, is a real one, namely that if you have one operator you do not have to

have an elaborate administrative structure such as is required when you have more than one operator. But then I was expressing reservation. I think that there is a value in competition among oil companies. One of the embarrassments the Australian legislators face at the moment is that there is just one company that has under its control the Bass Strait oil discoveries. Because this is the principal oil source in Australia at the moment, every time a legislative proposal is made it looks like a direct attack at that company, and any time that any improvement might be offered by way of legislation it looks like a direct benefit given to that company. One disadvantage of having a single operator in this situation is that it concentrates too much attention on the relations between the state and that particular company. But the other reasons I think are simply to the advantages of competition. If there is more than one company operating in the field different methods of production are stimulated and the advantages of competition operate.

Mr. Simpson: Could this advantage be arrived at by decreasing the size limit of the acreage the leases cover, or would this be advisable in your opinion?

Dr. Thompson: To give you an example of the sort of provision that contributes to more competition, the area reduction or relinquishment provisions tend to split up the acreage over the years and bring in more operators, so that when a discovery is made it is not likely to lie just within one permit area. Under the new Australian Common Code legislation the permits cover very large areas—10,000 square miles, but there is a relinquishment of 50 per cent after the sixth year and then every five years thereafter. In the sixth year the acreage would drop back to one half, in the eleventh year it would be back to one-quarter, and in the sixteenth year it would be back to one-eighth of the original area of the permit. Now we do not have any corresponding provisions in the Canada Lands regulations. There is only the one relinquishment time—that is, when you go to lease, and even then you can overcome the relinquishment proceeding by agreeing to take the extra leases on the additional royalty base. But this subject is all tied up with the size of the permits in the first place, and it is sometimes difficult to make comparisons.

• 1020

The Chairman: I have a supplementary. Would it be a conceivable disadvantage, Dr. Thompson, in the case of one company blanketing an oil field acquiring full control? Would it be a disadvantage conceivably in the case of iron ore to have a company sitting on a proven oil reservoir and deciding on its own that it would be wiser not to move it out but just to leave it sit there for a number of years? I compare this to the other situation where you might have two or three companies and because of the fact that there are two or three there would be more reason to move the oil out because one or the other might want to do so.

Dr. Thompson: This is the factor that enters into my consideration of the advantages of competition. The Alberta tar sands policy is such that it entertains applications by different companies. One of the requirements is that they more or less have to establish a market that will not interfere unduly with the market for conventional oil and there is then competition, as it were, encouraged by the companies to find markets that would not otherwise be available. The North is such a vast region, changing from the area that lies just a couple of hundred miles north of the Prairie boundaries where the conditions are simply the same as those that pertain up in Rainbow or Zama Lake in northern Alberta, to the opposite extreme of the operations way up in the Arctic islands, and one of my reservations concerns the wisdom of not differentiating more, as it were, in permit terms and lease terms between those areas that are just an extension of the Alberta oil fields and the areas that are on the other hand in the remote North. My point is that where a one-operator situation may be the only feasible one for the far North because of the problems of organizing for production facilities, transportation facilities and markets, such a policy may not be suited to the Mackenzie Valley.

The Chairman: Is secrecy a factor here at all? Does the fact that a company under the present regulations has the right to acquire the other 50 per cent of the leases within a grid allow that particular company to withhold from general knowledge certain details about that particular oil field which might otherwise become general knowledge, or are all oil companies eventually obliged to reveal what they have found to the government?

Dr. Thompson: In just about all the jurisdictions there are provisions giving the right to withhold information—not from the Government—but from other companies, and

there are terms in the Canada land regulations spelling out the right to have information remain secret for two years after discovery.

I think the answer to your question is that if an oil operator knows that the permittee has the right to take the additional acreage, it is going to be far less interested in finding out information about the area than if it knew that that area would come up for tender. The whole scouting profession is based on the idea that companies have to know what other companies are finding out by exploration and drilling because the time will come when that information is needed in order to go out and make an intelligent bid. If the situation is such that there is not much likelihood of anyone getting in on a discovery other than the discoverer, then of course that competition does not exist.

• 1025

The Chairman: Mr. O'Connell, do you have a question?

Mr. O'Connell: Thank you, Mr. Chairman. Some of my points have been very well covered in the subsequent discussions.

The witness has indicated two or three areas where he has serious reservations about the procedures followed in the North, one of which was in the area of ownership. If I understood him correctly, he was sceptical about the virtues of the regulations in that regard since they were so readily evaded. Then he went on to another area, the reservation system and the relinquishment of land and he found—I hope I am stating it correctly, because I am not so familiar with this field—that the policy is such that it may not be the best that could be chosen. Then he leaned heavily on the variable royalty rate as perhaps the area most open to modification in the public interest. I would like to ask, in view of those three areas, whether the Panarctic arrangement would modify your views (1) with respect to ownership, (2) with respect to the reservation system, and (3) with respect to your concern for variable royalties? Is it a technique that would modify your judgments?

Dr. Thompson: Let me take just a moment to collect my thoughts to answer this difficult question. I am happy that a system has been found to gain such large Canadian participation in northern development and I gather this could not have been done without the equity participation of the Federal Government, which is to be applauded.

On the matter of duration, an extent of areas under the control of Panarctic, I reflect that they have an empire that equals between a third and a quarter of all the leasable lands in the Province of Alberta. That corresponds to about 12 per cent of the land in Alaska. It is an enormous area. But on the other hand I reflect that it is so far away and there are no other prospects for exploration that I have heard of. These people have all put their acreages together and are taking a venture that no one else is prepared to undertake. So I do not object there.

I am concerned that ten years from now we may look back and think that we have given away our resources and mechanisms whereby it is possible to somewhat modify the incentives that you gave. This is very important and that is why I think I concentrated on the royalty idea. Even if otherwise you conclude that you created a new empire, if you can at least rewrite the revenue rates you can feel that things are under control. If you cannot you end up feeling like the people in the Middle East countries who consider that the potentates of a couple of decades ago gave away their birthrights under the concession agreements that run into the 1980s. I cannot really do better than to answer in that very waffly way.

• 1030

Mr. O'Connell: Thank you. Mr. Chairman, could I ask if the witness agrees that the type of geology present in the North is such that if oil is found it is likely to be in very large pools and to be very rich in quality.

Dr. Thompson: I do not have, of course, the technical expertise to answer that but I have certainly heard it expressed by people who were geologists that your statement is correct.

Mr. O'Connell: I would like to get a little more clarification. I thought a very interesting comment by Dr. Thompson was that there might well be a different way of approaching the relinquishment of permits at the leasing time in the sub-Arctic, if I could use that term loosely, as between that and the Arctic itself since the sub-Arctic might well be an extension of southern fields. Could you elaborate a little more and indicate what those distinctions would be in the reservation and relinquishment patterns?

Dr. Thompson: If I were to give some comparisons I think it might help. In that area the permittee can now hold the permit under that Canada Land Regulations for nine years.

Mr. O'Connell: Which area?

Dr. Thompson: In the Mackenzie Valley region, in the sub-Arctic region, a permittee can now hold the permit for a total of nine years before he has to go to lease and he can take under lease the whole acreage for another 21 years.

In Alberta at the present time the permittee can hold the permit for five years. In the sixth year he must drill. He then gets a lease for 10 years which is renewable only as to producing acreage and he can lease only up to 50 per cent, so in effect in Alberta half will come back at the end of six years. The remainder can be held only for 10 years and then all of it will come back that is not producing.

I accept that there should be more incentive in the Territories, but I wonder whether this gap is justified.

Mr. O'Connell: In view of the royalty situation, too, the two things seem to...

Dr. Thompson: They go together.

Mr. O'Connell: Yes.

Dr. Thompson: There is a charting book graphing these various royalty rates for the Canadian areas and the Canada Lands Rate certainly is the lowest.

Mr. O'Connell: You mentioned a very late date—I took a note of it but I cannot find it at the moment—where in the North the renewals could possibly carry one down a long way. Would you go over that please?

Dr. Thompson: Perhaps it is a fanciful situation. It assumes that a permittee holds his permit for nine years, the maximum time, before he goes to lease selection. Then he goes to selection and he can take all the acreage by agreeing to pay the additional royalty and the leases he acquires will have 21-year terms. That is 30 years. If in the thirtieth year he should being a well into production he is entitled to have his lease re-issued for a 21-year term from the date commercial production commences at the same royalty rates.

• 1035

Mr. O'Connell: Would you clarify "he must have a well in that year"? In a sense, the whole field is his. Could the well have been in any year other than the base year for renewal?

Dr. Thompson: Yes, the Regulation says that at any time commercial exploitation has commenced the lessee may apply for the reissue of his lease for 21 years more.

Mr. O'Connell: Thank you.

Dr. Thompson: What makes this an extreme illustration is that it assumes the commercial exploitation begins in the very last year of the lease.

Mr. O'Connell: Of the last well.

Mr. Simpson: I have a supplementary question just for my own information. It certainly will show that I am not familiar with this particular aspect.

You were saying, Dr. Thompson, that they would be able to apply for a lease for the production area only, as I understand it, or for the area of production?

Dr. Thompson: No. Lease selection does not require discovery under the Canada Oil and Gas Land Regulations.

Mr. Simpson: No, but I mean in the province. What I was getting at, aside from the Canada Lands Surveys Act, is how the area of production was determined. Mr. O'Connell just mentioned the field, and so on. Who determines this area that he gets the lease on in the area of production, or gets a lease for which is considered production?

Dr. Thompson: When a discovery well is drilled, the company's experts prepare for lease selection under Canada Oil and Gas Land Order No. 1 of 1961. They can take all the acreage by undertaking to pay the additional royalty, so they will certainly select all the acreage that overlies the prospective fields.

At this stage all they have to go on is their subsurface geology and their well. It is a guessing game as to exactly what the outlines of the pool discovery are, but within the area of their permit and their adjoining permits they will certainly select leases that leave no doubt that they have covered the formation.

Where you have no option of taking these leases but instead the Regulations say, as they do in Alberta, that 50 per cent in any township has to revert to the Crown and that your selection must be either on a checkerboard pattern or with corridors between leases, then it becomes a highly developed art of the land men in consultation with the company's geologists to make the most advantageous lease selection with reference to what they know

about the geology and where the field may be and they will spend a lot time time figuring out the various possibilities so that they get maximum coverage of the formation. The rest, then, goes back to the Crown.

Mr. Simpson: Thank you.

Mr. O'Connell: Mr. Chairman, I have one further question. Referring to the earlier remarks by Dr. Thompson, am I right in concluding that he took the position that incentives are not all that we might think they in getting oil exploration and development going? I thought an important point concerning perhaps an over-generous leasing system and rigidities in the royalty system depended upon the thesis that incentives were not, perhaps, the crucial factor. I would like him to elaborate a little on that.

• 1040

Let us assume that the Prudhoe discovery had not been made, since it is a recent thing and these regulations were drawn up prior to that time.

Dr. Thompson: I am going away out on a limb here when I make that statement. Partly I find myself in a pretty isolated position as an outsider of the industry and being a critic and I often try, I suppose, to be a devil's advocate.

In the press release by Panarctic I noticed they concluded by stressing the importance of the incentives, insisting that they hope governments will not change them, so I have no doubt that they are important to the oil people. I make these comments only because if I look back I think more often than not it has been other matters like a Prudhoe discovery or some other important factor that has triggered off a big exploration play and that perhaps these factors are more important than what you do in the legislation. At the same time I am not suggesting that the legislation does not have to be in the main stream. This does not mean that you could turn around and devise a system that was totally more severe than that pertaining elsewhere.

Mr. O'Connell: I have a supplementary, Mr. Chairman. Could the witness indicate the kind of incentives that were available to the people who made the Prudhoe discovery in comparison with the Canadian pattern?

Dr. Thompson: The Prudhoe Bay leases, so far as I know and I am not well informed on this, were taken under the U.S. Mineral Leasing Act. It is quite a different system. The basic lease under the United States Mineral Leasing Act is 10 years and I think this would be applicable, but the extension provisions can be of such a nature as to make that very misleading. In all fairness, I really cannot answer your question. I have not had the opportunity to study it closely enough in that area.

Mr. O'Connell: Thank you Mr. Chairman, would the witness say—and I think I remember correctly—that the Canadian regulations and the incentives are perhaps the most generous in the world?

Dr. Thompson: I would not make that broad a statement.

Mr. O'Connell: I am sorry. How far did you go?

Dr. Thompson: It is certainly the most generous in Canada, I think, and more generous than in many other parts of the world.

Mr. O'Connell: Even though you are not prepared to be too specific about the Alaska Regulations, and so on, would your comment still include that—more generous than other parts of the world, including the American North?

• 1045

Mr. Thompson: Why I am so hesitant in answering is that the Mineral Leasing Act includes provisions whereby unitized operations can be undertaken under terms which are in the discretion of the administering agency. I do not know the extent to which the Prudhoe operation falls under these provisions and the etxent to which these terms and conditions are different from those which are laid out as the standardized terms in the Mineral Leasing Act. That is why I am so much in the dark.

Mr. O'Connell: How would an interested person go about finding out?

Dr. Thompson: I think by making an inquiry directly to the people responsible for the administration of the federal Mineral Leasing Act in Anchorage, or in Washington.

The Chairman: Dr. Yewchuk?

Mr. Yewchuk: I want to ask a fairly basic question. This field of exploration, and so on, is entirely new to me and I wondered what the actual difference was between a permit and a lease. You start off with a permit, I

understand, and this allows you to do certain things, and a lease allows you to do certain other things. What are these things?

Dr. Thompson: The terminology is not important. In some areas they are called reservations or exploration licences. The idea is that you should have two stages. One stage is when large acreages may be held at very low cost, during which time you undertake your primary exploration. Then at a certain time that stage should be converted into a second stage, and that second stage becomes the lease stage.

Mr. Yewchuk: What do you mean by primary exploration? Is this seismic work, or what?

Dr. Thompson: Everything up to and even ultimately including the drilling of a well.

Mr. Yewchuk: The permit allows you to do this?

Dr. Thompson: Yes.

Mr. Yewchuk: What about the lease? What do you do then?

Dr. Thompson: You get two streams. Under the Australian legislation you are not entitled to go to lease except on discoveries. The idea then is that the initial stage is exploration and the second or lease stage is development. You have found oil and now you are going to develop the field and produce it. However, under the system generally prevailing in Canada, in the provinces and the territories, the right to lease is considered to be what you earn for the exploratory work you have done, whether you have made a discovery or not. We will say that you hold the land under the permit for nine years. During this time you evaluate it, you may even drill a test well and the test well may be a duster, but you are still entitled to make lease selection. The difference now is that when you go into lease you are going to pay more to hold the land. The rentals are higher on your lease than they are under the permit.

Mr. Yewchuk: But with that kind of a set-up you get a lesser quantity of land.

Dr. Thompson: Ordinarily you get a lesser quantity of land. You are required to give up half of your permit.

Mr. Yewchuk: The way it is set up, then, you do not actually have to have a well producing for 30 years from the first time you take out your permit. Is that right?

Dr. Thompson: That is correct. All you have to do in order to hold your interests—without having found oil and be producing it—is to do the exploratory work to the value of the deposit fees and pay the rentals. However, there is a provision in the regulations whereby the Department can require a lessee after the third year of the lease to drill a well. The experience in Alberta has been that although they had such a drilling provision they never exercised it.

Mr. Yewchuk: I know that we had Panarctic before us yesterday and although, I do not recall what the figures were, I understand this company is partly owned by the federal government. What is the percentage of their ownership?

The Chairman: It is 45 per cent.

Mr. Yewchuk: This would put a different slant on the royalties that the public draws because nearly half of this company is owned by the public.

Dr. Thompson: Yes, this is a factor to be taken into consideration with respect to Panarctic.

• 1050

Mr. Yewchuk: Do these gas and oil regulations apply principally to Panarctic or do they apply to anybody at all who wants to go in there?

Dr. Thompson: Oh, no, these regulations are designed to apply right through the pan of the lands, which includes the North and the offshore East and West Coast waters as well.

Mr. Yewchuk: As far as I can recall from the maps I saw yesterday Panarctic has taken out leases on most of these Arctic islands; there are almost none left to be leased out.

Dr. Thompson: A substantial part of it. I am not sure what percentage it would represent.

Dr. Woodward: Just to correct the impression that may be left, right now Panarctic has permits; it does not have leases.

Mr. Yewchuk: Yes. I am sorry, I used the wrong phrase. Have you ever calculated what the royalties would actually be to the private enterprise part of Panarctic and then compared them to the set up in Alberta.

Dr. Thompson: The leases, which they have the right to select, carry a flat 10 per cent royalty. If the same land were located in Alberta, where there is a varying royalty schedule depending upon the producibility of the well, the royalty might range up to as high as 16⅔ per cent. If one were then to assume that the wells drilled in the Panarctic regions would be high producers and would attract the highest end of the royalty schedule in Alberta, the rate would be 16⅔ per cent. On the other hand, if the wells turned out to be relatively small producers and were in Alberta, the low end of the rate is 8 per cent. So you can see it is difficult to make comparisons. You are in the area of conjecture.

Mr. Yewchuk: The point I was really trying to make is the fact that in Alberta all the private enterprise companies pay a royalty of 16⅔ per cent or whatever it is but in the case of Panarctic the government owns 45 per cent of it. This really means that these private enterprise companies are paying more than 10 per cent royalties if you just take their share of the development, if you work out a ratio. As I understand it, the federal government, because it is a partner, is also investing in it.

Dr. Thompson: I am not too sure if your point is well taken, because the federal government is paying for its equity share and it is earning its half. In effect, then, the rate which applies to the private investors in the consortium is the 10 per cent rate.

Mr. Yewchuk: Yes, I understand. Thank you.

Mr. Simpson: I think this is a fair question. Could you express an opinion as to whether you think the sums paid to take out these permits are set at a reasonable figure. Should they be higher when comparison with other interesting discovery areas around the world?

Dr. Thompson: No, I think they are comparable. I think the Australian rate works out to 20 cents per square mile per year, which I think is comparable.

Mr. Simpson: I assume you would suggest that consideration be given by Parliament or this Committee to a reassessment of the agreements which are being drawn up with different permit holders in relation to a scale of royalties?

• 1055

Dr. Thompson: Yes. I do not expect that existing permits and leases can be changed. I think this brings a justifiable reaction on the part of the permitees that the bargain that was made has been violated. I am really talking about the change in regulations that would effect new permits and leases that are to be granted.

Mr. Simpson: Very good. I have just one further question because I know other people have questions, and it relates to the last question that Dr. Yewchuk asked.

As Panarctic apparently has a considerable area, which I understand the oil industry feels could be generally a desirable area, in the Arctic islands and they have considerable holdings at the present time with respect to the oil and gas regulations, do you consider, that any agreements that we now have with Panarctic could not be changed? Have they taken these out to an extent that they automatically come in under these regulations? If they find anything are their regulations with regard to royalties now determined in that whole area?

Dr. Thompson: The regulations are on the books with respect to the permits they hold. I think any change in terms would have to be made within what the regulations now provide, or it would amount in fact to a sort of a confiscation.

Mr. Simpson: All I was trying to determine was whether it was—and I agree that you cannot start changing agreements that have been made—considered that the agreements are made at the time they make a discovery and then go into leasing or whether the whole thing starts when the permit is taken out.

Dr. Thompson: It starts with taking out the permit to the extent that the regulations give you the right to go to lease.

Mr. Simpson: That is fine. Thank you.

Dr. Thompson: It would depend on the terms, I think, that are stated in the regulations.

The Chairman: Can you give us a brief comparison of the effect of the royalty rates plus our tax system on the revenue which the Canadian people receive as compared to the revenues, for example, which the people of Venezuela receive when they lease an oil

well to a foreign company or a Middle Eastern country does the same thing? Let us take the case of France with the additional factor of a government oil company there. Are you able to make these comparisons for us?

Dr. Thompson: I can only say that I have seen figures prepared by the industry, but prepared for their own purposes, which showed what it cost in terms of payments to governments relating to different areas. A figure of around 50 per cent is what appears. It was interesting to see that the Alberta figure was the highest of them all. It was on the order of approximately 60 per cent. I have forgotten the precise figure. That is, if you were to compare what the industry pays to government, including taxes, royalties, bonuses and rentals in various parts of the world the Alberta figure would come out on top.

The Chairman: Where would the Canadian figure be in this, slightly below Alberta but above the world average?

Dr. Thompson: I would venture to say that there is just not enough experience, because as yet there is not any oil production to result in anything but the wildest guesses, but I would imagine that they are looking at them as being comparable to what generally prevails in the area of, say, 50 per cent.

• 1100

The Chairman: The normal income tax for companies is 50 per cent, is it not, plus the 10 per cent royalty less, I would imagine, some depletion? Is that the way you arrived at this figure?

Dr. Thompson: Yes, what they do is to assign a figure for the value of the oil, take off roughly half as the operating producing costs, and then find out where the other half goes. That other half goes in taxes and the tax rates involve the rates and the depletion allowances and what not, and then royalties. I am sure these are only the roughest kinds of estimates because of the complexities of the tax systems.

Mr. O'Connell: Mr. Chairman, I would like to ask one other question. I believe that Dr. Thompson, in citing earlier the range of his scholarly interest in this field, indicated some studies in sovereignty. Am I correct? I wonder if they led him to consider the question of aboriginal land rights in situations where there would be oil exploration and development programs, whether in Australia, where you have done some scholarly work, or in Canada. If you can I would like you to answer that question with reference to the Canadian North.

Dr. Thompson: I have not made any such studies. It is a matter that I would like very much to investigate. The land claim situation in Alaska is of great importance and significance at the present time, and under the research grant that I now hold to study comparatively Alaska and Northern Canada, one of the areas I want to investigate is just how the native claims matter is being dealt with in Alaska. I am sure it would be of interest in terms of native claims in northern Canada, but I cannot answer your question now.

Mr. O'Connell: Do you know whether there are any studies in Canada, governmental or otherwise, into this question?

Dr. Thompson: I do not know.

Mr. O'Connell: Is your own study a university-based study, directed by your own interest, or is it a requested study?

Dr. Thompson: It is my own interest. The support I have is from the new Institute of Law Research and Reform that was established at our university last year and it provides for research grants on application.

Mr. O'Connell: I gather that you will be looking at this question of native land rights with respect to oil and resource development.

Dr. Thompson: That is one of the matters I am interested in, and my plans are to spend a month in Alaska this next spring.

Mr. O'Connell: Thank you.

The Chairman: Do you have any opinions, Dr. Thompson, on the comparative benefits of tax incentives? Do you feel, for example...

Mr. O'Connell do we have a motion from you?

Mr. O'Connell: What do you want a motion for?

The Chairman: To adjourn.

Mr. O'Connell: I am sorry; I have to leave, Mr. Chairman.

Mr. Simpson: I have to leave, but I would not want a motion to adjourn yet.

Mr. Chairman: No, it is fine, I have a question and you have a question. I would like...

Mr. Simpson: No, I have something that I just would like to ask the meeting.

The Chairman: Would you mind waiting?

Mr. O'Connell: All right; I will wait.

The Chairman: I would just like to know, sir, whether you have any particular opinion on the suggestion that has been made that by allowing non-oil and gas Canadian industry to write off risk investment in oil and gas exploration or mineral exploration in our North, this would be an advantageous tax incentive. Do you have an opinion on this?

● 1105

Dr. Thompson: I am sure it would be a very great incentive to risk capital in oil exploration.

The Chairman: In your view, would this encourage more Canadian participation in this field in Canada?

Dr. Thompson: I would think so; that certainly is the experience in the United States. This kind of incentive brings in a lot of capital that is not traditionally oil capital.

The Chairman: Thank you. Mr. Simpson?

Mr. Simpson: My point is distinct from our oil and gas discussion. I understand we probably have to adjourn very soon to attend the House and I am sorry that some of the other members had to leave for the House, but I wanted to bring something up. I had made a commitment to bring this up and I certainly do not intend to step on the toes of any members here, particularly the Chairman, because I think this perhaps comes from his area.

I had a request from an Indian group, from Caughnawaga, who said that they would like to be heard by this Committee some time; I understand some time after Christmas. I want the Committee to consider this, and decide whether they will have time after Christmas to see these people, or whether this is acceptable to the Committee. You may have had the same request, Mr. Chairman, so I am not upstaging you by putting it on. I was just asked to do this.

The Chairman: As a matter of fact, I have not had this request forwarded to me, but we will take up this particular request in our steering committee as we have done with other similar requests.

I think it would be fair to point out to any group wanting to meet with this Committee that we will be seized with the consideration of the Indian Claims Commission bill, presumably shortly after Christmas, and we will also be seized with the revisions to the Indian Act, presumably late in the spring, and we will be consulting Indian groups across Canada on these two items, so I presume we will be available to see any group from anywhere in Canada.

I think it will be a normal proviso that the people we meet should be representative of the reserve from which they come, or that they have some special brief to submit to us.

I wonder if we could have the permission of the Committee to formulate plans for a visit to the Northwest Territories in late January. Does everybody agree?

Some hon. Members: Agreed.

The Chairman: We will make the necessary plans for a visit to Yellowknife in late January, provided we can have the annual report of the Department referred to us and I have had an unofficial assurance from the Minister that this will be done. This will give us the opportunity to go up there with something before the Committee, if this is agreeable to everyone.

Some hon. Members: Agreed.

Mr. Simpson: Before we adjourn, I note our Chairman is very anxious to thank Dr. Thompson, but speaking for myself and, I am sure, for the members of the Committee, we are very pleased to have had the opportunity of discussing this very important matter with you. We are only sorry that we are not able to be here longer to get more of your views. Thank you, very much.

Some hon. Members: Hear, hear.

The Chairman: Again, thank you, Dr. Thompson.

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Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development)	5, 9 and 10
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Mr. E. W. Humphrys, General Manager and Chief Engineer	2 and 3
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OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 11

THURSDAY, JANUARY 23, 1969

MONDAY, MARCH 10, 1969

LE JEUDI 23 JANVIER 1969

LE LUNDI 10 MARS 1969

Respecting

BILL C-153,

An Act to amend the Historic Sites and Monuments Act.

And including:

First Report to the House.

Concernant

Le BILL C-153,

Loi modifiant la Loi sur les lieux et monuments historiques.

Y compris:

Premier Rapport à la Chambre.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29967—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs.
et Messieurs

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Cullen
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Duquet
Givens
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
[1] Nielsen
O'Connell
Orlikow
Simpson
Southam
[2] Thomson (*Battleford-Kindersley*)
Yewchuk

Le secrétaire du Comité,

Michael B. Kirby,

Clerk of the Committee.

Pursuant to S.O. 65(4)(b)

[1] Replaced Mr. McKinley on March 4, 1969.
[2] Replaced Mr. Burton on March 7, 1969.

Conformément à l'article 65(4)(b) du Règlement

[1] Remplace M. McKinley le 4 mars 1969.
[2] Remplace M. Burton le 7 mars 1969.

WEDNESDAY, March 12, 1969

The Standing Committee on Indian Affairs and Northern Development has the honour to present its

FIRST REPORT

Your Committee has considered Bill C-153, An Act to amend the Historic Sites and Monuments Act, and has agreed to report it without amendment.

A copy of the Minutes of Proceedings and Evidence relating to this bill (*Issue No. 11*) is tabled.

Respectfully submitted,

IAN WATSON,
Chairman.

Le MERCREDI 12 mars 1969.

Le Comité permanent des affaires indiennes et du développement du nord-canadien a l'honneur de présenter son

PREMIER RAPPORT

Le Comité a étudié le Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques et est convenu d'en faire rapport sans modification.

Un exemplaire des procès-verbaux et témoignages relatifs à ce bill (*fascicule n° 11*) est déposé.

Respectueusement soumis,

Le président,
IAN WATSON.

ORDERS OF REFERENCE

FRIDAY, December 20, 1968.

Ordered,—That the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1968, tabled in the House on Thursday, December 5, 1968, be referred to the Standing Committee on Indian Affairs and Northern Development; that the Committee be empowered to adjourn from place to place and that the Clerk of the Committee and the necessary supporting staff accompany the Committee.

MONDAY, January 20, 1969.

Ordered,—That Bill C-153, An Act to amend the Historic Sites and Monuments Act be referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ORDRES DE RENVOI

Le VENDREDI 20 décembre 1968.

Il est ordonné,—Que le rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année terminée le 31 mars 1968, déposé à la Chambre des communes le jeudi 5 décembre 1968, soit renvoyé devant le comité des affaires indiennes et du développement du Nord canadien; que le comité soit autorisé à se réunir à divers endroits; que le secrétaire du comité et le personnel de soutien accompagnent le comité.

Le LUNDI 20 janvier 1969.

Il est ordonné,—Que le Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques, soit déféré au comité permanent des affaires indiennes et du développement du Nord canadien.

ATTESTÉ:

Le Greffier de la Chambre des communes,

ALISTAIR FRASER,

The Clerk of the House of Commons.

29967—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, January 23, 1969.
(11)

The Standing Committee on Indian Affairs and Northern Development met this day at 5:15 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Buchanan, Burton, Cadieu, Cullen, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), Orlikow, Simpson, Smerchanski, Southam, Watson, Yewchuk—(14).

Also present: Mr. Erik Nielsen, M.P.

In attendance: From the Department of Indian Affairs and Northern Development: Mr. J. B. Bergevin, Assistant Deputy Minister (Development); Mr. A. B. Yates, Assistant Director, Territorial Relations Branch; Miss Marina Robillard, Parliamentary Returns Officer.

The Clerk of the Committee circulated the itinerary for the Committee's visit to the West Arctic from January 26 to February 1, 1969.

The Chairman outlined the itinerary briefly as follows:

Sunday, January 26, 1969, Ottawa/Calgary.

Monday, January 27, 1969, Calgary/Yellowknife.

Tuesday, January 28, 1969, Half of the Committee; Yellowknife/Coppermine/Yellowknife; Half of the Committee, Yellowknife/Fort Rae/Yellowknife.

Wednesday, January 29, 1969, Yellowknife/Norman Wells/Dawson City/Whitehorse.

Friday, January 31, 1969, Whitehorse/Watson Lake/Calgary.

Saturday, February 1, 1969, Calgary/Ottawa.

(*Traduction*)

PROCÈS-VERBAL

Le JEUDI 23 janvier 1969
(11)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit aujourd'hui à 17 h 15. Le président, M. Watson, occupe le fauteuil.

Présents: MM. Borrie, Buchanan, Burton, Cadieu, Cullen, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), Orlikow, Simpson, Smerchanski, Southam, Watson et Yewchuk—(14).

De même que: M. Erik Nielsen, député.

Aussi présents: du ministère des Affaires indiennes et du Nord canadien: M. J.-B. Bergevin, sous-ministre adjoint (développement), M. A. B. Yates, directeur adjoint aux Relations territoriales, et Mlle Marina Robillard, agent des Rapports parlementaires.

Le secrétaire distribue l'itinéraire du voyage que le Comité effectuera dans l'Ouest arctique du 26 janvier au 1er février 1969.

Le président expose brièvement l'itinéraire ainsi qu'il suit:

Le dimanche 26 janvier 1969, Ottawa-Calgary.

Le lundi 27 janvier 1969, Calgary-Yellowknife.

Le mardi 28 janvier 1969, le Comité se subdivise en deux groupes. Le premier groupe va à Yellowknife-Coppermine-Yellowknife.

Le deuxième groupe va à Yellowknife-Fort Rae-Yellowknife.

A compter du mercredi 29 janvier 1969 le Comité au complet va à Yellowknife-Norman Wells-Dawson City-Whitehorse.

Le vendredi 31 janvier 1969, Whitehorse-Watson Lake-Calgary.

Le samedi 1er février 1969, Calgary-Ottawa.

The Chairman announced that the Committee would be meeting with both Territorial Councils and made several other announcements concerning the Committee's tour.

Mr. Gundlock drew the attention of the Committee to the presence of Mr. Manychief and Mr. Peters from the Blood Reserve in Western Canada. The Chairman and members of the Committee welcomed the visitors.

On motion of Mr. Borrie, seconded by Mr. Buchanan, it was

Resolved,—That Mr. Paul St. Pierre be elected Vice-Chairman of this Committee.

The Chairman invited Mr. Nielsen to address the Committee on the question of clothing to be worn in the far north. Mr. Yates was also questioned on this matter.

At 5:45 p.m., on motion of Mr. Gundlock, it was

Agreed,—That the Committee adjourn to the call of the Chair.

At 5:45 p.m. the Committee adjourned at the call of the Chair.

Le président annonce que le Comité rencontrera les deux Conseils territoriaux et communique certains autres détails afférents au voyage du Comité.

M. Gundlock attire l'attention du Comité sur la présence de M. Manychiefs et de M. Peters, tous deux de la réserve *Blood,* dans l'Ouest canadien. Le président et les membres du Comités souhaitent la bienvenue à ces visiteurs.

Sur une motion de M. Borrie, appuyé par M. Buchanan,

Il est décidé—que M. Paul Saint-Pierre soit élu vice-président du Comité.

Le président prie M. Nielsen de dire quelques mots au Comité sur la question des vêtements à porter dans le grand Nord. On pose également quelques questions à M. Yates, à ce sujet.

A 17 h 45, sur une motion de M. Gundlock,

Il est convenu—Que le Comité s'ajourne jusqu'à nouvelle convocation du président.

MONDAY, March 10, 1969.
(12)

The Standing Committee on Indian Affairs and Northern Development met this day at 3.50 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Corbin and Burton.

Witnesses: From the Department of Indian Affairs and Northern Development; Mr. J. H. Gordon, Senior Assistant Deputy Minister, (Conservation); Mr. J. I. Nicol.

LUNDI 10 mars 1969.
(12)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit cet après-midi à 3 h. 50, sous la présidence de M. Watson.

Présents: MM. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, Saint-Pierre, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Corbin et Burton.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. H. Gordon, sous-ministre adjoint senior (Conservation); M. J. I. Nicol, directeur,

Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

The Chairman tabled answers supplied by the Department of Indian Affairs and Northern Development which had been prepared in reply to questions asked by Members of the Committee at an earlier meeting and it was *agreed*—that they be printed as an appendix to this day's Minutes of Proceedings and Evidence (*See Appendix "K"*).

The Chairman read the Second Report of the Subcommittee on Agenda and Procedure which is as follows:

> Your Subcommittee met on Friday, March 7, 1969, to discuss a possible agenda for your Committee up to the Easter holidays.
>
> Your Subcommittee recommends that the Committee hold the following meetings:
>
> *On Monday, March 10, 1969* to discuss and examine the following subjects:
>
> 1. Bill C-153, An Act to amend the Historic Sites and Monuments Act.
> 2. Historic Sites, Vote 35.
> 3. National Battlefields Commission —Vote 45.
>
> *On Tuesday, March 11, 1969,* to discuss Handicrafts.
>
> *On Thursday, March 13, 1969* to discuss the question of Hydro Electric Power in the Yukon.
>
> *On Tuesday, March 19, 1969* it is your Subcommitte's hope that Dr. D. W. Carr, the Chairman of the Carr Commission and Professor Anderson of the Carr Commission Staff could appear and be questioned about Power in the Yukon.
>
> As a result of these two meetings on power, the Subcommittee could meet

Le président dépose les réponses fournies par le ministère des Affaires indiennes et du Nord canadien et préparées en réponse aux questions posées par les membres du Comité lors d'une séance précédente, et il est *convenu* de les faire imprimer en appendice au procès-verbaux et témoignages de ce jour (*Voir Appendice «K»*).

Le président lit le deuxième rapport du sous-comité du programme et de la procédure, à savoir:

> Le sous-comité s'est réuni le vendredi 7 mars 1969 pour établir un programme possible pour le Comité jusqu'aux vacances de Pâques.
>
> Le sous-comité recommande que le Comité organise ses séances de la façon suivante:
>
> *Le lundi 10 mars 1969,* pour examiner les questions suivantes:
>
> 1. Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques.
> 2. Lieux historiques—crédit 35.
> 3. Commission des champs de bataille nationaux crédit 45.
>
> *Le mardi 11 mars 1969,* pour examiner la question de l'artisanat.
>
> *Le jeudi 13 mars 1969,* pour examiner la question de l'énergie hydroélectrique dans le Yukon.
>
> *Le mardi 19 mars 1969,* le sous-comité espère que M. D. W. Carr, président de la Commission Carr, et le professeur Anderson, membre de cette Commission, pourront comparaître devant le Comité et répondre à des questions au sujet de l'énergie dans le Yukon.
>
> A la suite de ces deux réunions sur l'énergie, le sous-comité pourrait

to discuss the possibility of a report or further hearings.

Some Members of the Committee have expressed the desire to hear further witnesses on the question of oil leasing in the Northwest and Yukon Territories and experts will be called to appear before your Committee on Thursday, March 20, 1969. The names of the experts will be announced at a later date.

On motion of Mr. St. Pierre it was—

Agreed—That the Second report of the Subcommittee on Agenda and Procedure be concurred in.

The Chairman then read the Third Report of the Subcommittee which is as follows:

For some time many Members of the Committee have expressed the hope that the Committee could visit the reserves about the country.

Your Subcommittee feels that it is impossible and that it would be undesirable for the full Committee to visit each reserve and feels that a few Members visiting different parts of the country would be much more effective.

It is recommended therefore, that the Committee be divided into four Subcommittees, each to be made up of five Members. It is envisaged by your Subcommittee on Agenda and Procedure that each Subcommittee would visit a different part of the country.

Accordingly, your Subcommittee recommends that Subcommittee No. 1 be headed by the Chairman of the Committee and that it visit reserves in Quebec and the Maritimes. That Subcommittee No. 2 be headed by Mr. O'Connell and visit Ontario. That Subcommittee No. 3 be headed by Mr. St-Pierre and visit Manitoba, Saskatchewan and Alberta. That Subcommittee No. 4 be headed by Mr. Marchand (*Kamloops-Cariboo*), and visit British Columbia.

se réunir pour étudier la possibilité de faire un rapport ou d'organiser d'autres audiences.

Des membres du Comité ayant exprimé le désir d'entendre d'autres témoins sur la question des concessions pétrolières des Territoires du Nord-Ouest et du Yukon, on demandera à des experts de comparaître devant le Comité le jeudi 20 mars 1969. Les noms de ces experts seront annoncés ultérieurement.

Sur la proposition de M. Saint-Pierre,

Il est convenu—Que l'on accepte le deuxième rapport du sous-comité du programme et de la procédure.

Le président lit ensuite le troisième rapport du sous-comité, à savoir:

Depuis quelque temps, bien des membres du Comité ont exprimé le désir que le Comité visite les réserves du pays.

Le sous-comité estime qu'il serait impossible et peu souhaitable que le Comité entier visitât chaque réserve, et estime qu'il serait beaucoup plus efficace que quelques membres seulement du Comité visitassent chaque partie du pays.

Il est donc recommandé que le Comité soit divisé en quatre sous-comités, composés chacun de cinq membres. Le sous-comité du programme et de la procédure envisage que chaque sous-comité visite une partie différente du pays.

En conséquence, le sous-comité recommande que le sous-comité n° 1 soit présidé para le président du Comité et visite les réserves du Québec et des Maritimes. Que le sous-comité n° 2 soit présidé par M. O'Connell et visite l'Ontario. Que le sous-comité n° 3 soit présidé par M. Saint-Pierre et visité le Manitoba, la Saskatchewan et l'Alberta. Que le sous-comité n° 4 soit présidé par M. Marchand (*Kamloops-Cariboo*) et viste la Colombie-Britannique.

Your Subcommittee further recommends that each of the four Subcommittees decide on their own itinerary and that since each part of the country cannot be visited equally well at the same time of the year, that each Subcommittee arrange its own departure date.

It is your Subcommittee's view that staff will not be needed and need not accompany the Subcommittees unless the Subcommittee required it.

On motion of Mr. St-Pierre, it was

Agreed—That the Third Report of the Subcommittee on Agenda and Procedure be concurred in.

On motion of Mr. O'Connell, it was

Agreed—That the Clerk of the Committee be instructed to circularize the Members of the Committee to ascertain which Subcommittee it was they wished to be on and that the Clerk prepare lists of such Subcommittee by March 14, 1969.

Mr. Nielsen enquired if he might be allowed to vary the Third Report so as to allow the Yukon Electric Company to appear at a later meeting and after discussion it was *agreed* that the Subcommittee could settle the matter.

The Committee proceeded to consider Bill C-153 an Act to amend the Historic Sites and Monuments Act.

On Clause 1

Mr. J. H. Gordon made a short statement and was questioned. He was assisted by Messrs. Nicol and Bennett.

Later, clauses 1, 2, the Title and the Bill were *carried.*

Ordered,—That the Chairman report the Bill to the House without amendment.

The Committee then proceeded to examine the estimates of the Department of Indian Affairs and Northern Develop-

Le sous-comité recommande en outre que chacun des quatre sous-comités décide de son propre itinéraire, et que, étant donné que toutes les parties du pays ne peuvent pas être visitées aussi bien au même moment de l'année, chaque sous-comité décide de sa propre date de départ.

Le sous-comité estime que le personnel de soutien n'aura pas besoin d'accompagner les sous-comités, à moins que ceux-ci n'en fassent la demande.

Sur la proposition de M. Saint-Pierre,

Il est convenu—Que l'on accepte le troisième rapport du sous-comité du programme et de la procédure.

Sur la proposition de M. O'Connell,

Il est convenu—Que le secrétaire du Comité remette aux membres du Comité des formules à remplir pour qu'ils puissent y indiquer de quel sous-comité ils veulent faire partie, et que le secrétaire prépare une liste de la composition des sous-comités avant le 14 mars 1969.

M. Nielsen demande s'il peut modifier le troisième rapport afin que l'on permette à la *Yukon Electric Company* de comparaître à une séance ultérieure, et, après débat, il est *convenu* que le sous-comité pourra décider de cette question.

Le Comité passe à l'examen du Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques.

Sur l'article 1

M. J. H. Gordon fait une brève déclaration et répond à des questions, aidé de MM. Nicol et Bennett.

Par la suite, les articles 1 et 2, le titre et le Bill sont *adoptés.*

Il est ordonné—Que le président fasse rapport du Bill à la Chambre sans modification.

Le Comité entreprend l'étude des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour

ment for the fiscal year 1969-70. (*See Issue No. 12*)

On motion of Mr. Givens at 5:50 p.m. it was—

Agreed—That the Committee adjourn until Tuesday, March 11, 1969.

l'année financière 1969-1970. (*Voir le fascicule n° 12*)

Sur la proposition de M. Givens, à 5 h. 50 de l'après-midi.

Il est *convenu*—Que le Comité s'ajourne jusqu'au mardi 11 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Text*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Monday, March 10, 1969

•1547

The Chairman: Gentlemen, I see a quorum. I would like, first, to ask permission to table the answers which we have received from the Department relating to the questions which Mr. Nielsen asked concerning electric power rates in the Yukon, primarily the rates of the N.C.P.C. and the basis for their rates. Do I have that permission?

Some hon. Members: Agreed.

The Chairman: Do we have your permission to have these printed as an appendix to the minutes of this meeting?

Some hon. Members: Agreed.

(*See appendix attached*)

The Chairman: I would now like to deal with the second report of the steering committee. The steering committee reports as follows: (*See Minutes of Proceedings*) Could I have a motion for concurrence in the second report of your Subcommittee on Agenda and Procedure?

Mr. St. Pierre: I so move.

Mr. Dinsdale: Mr. Chairman, there is no mention of the possible trips in that report?

The Chairman: No. That is in the third report which I am going to read.

The Subcommittee on Agenda and Procedure has the honour to present its third report: (*See Minutes of Proceedings*) May I have a motion for concurrence in this report?

• 1550

Mr. Gundlock: You mentioned Western Alberta under the chairmanship of Mr. Marchand.

The Chairman: No, Mr. St. Pierre.

Mr. Gundlock: Western Alberta?

[*Interpretation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le lundi 10 mars 1969

[*Interprétation*]

Le président: Messieurs, nous avons quorum. En premier lieu, je vous demanderais la permission de déposer les réponses que nous avons reçues du Ministère au sujet des questions posées par M. Nielsen ayant trait au taux de l'énergie électrique dans le Yukon, les taux de la N.C.P.C. et sur quoi reposent ces taux. Ai-je votre permission?

Des voix: D'accord.

Le président: Est-ce que vous m'autorisez, de même, à le faire imprimer en annexe au compte rendu de cette séance?

Des voix: D'accord.

(*Voir appendice.*)

Le président: Maintenant, passons au deuxième rapport du comité directeur, qui présente ce rapport comme il suit: (*voir le compte rendu*).

Est-ce que l'on peut déposer une motion d'approbation de ce rapport, c'est-à-dire du deuxième rapport de votre sous-comité sur l'ordre du jour et la procédure?

M. St. Pierre: Je propose.

M. Dinsdale: On ne parle pas des possibilités de voyage dans ce rapport?

Le président: Non, absolument pas. Cela se trouve dans le Troisième rapport que je vais vous lire.

Le sous-comité sur l'ordre du jour et la procédure a l'honneur de présenter son Troisième rapport: (*voir le compte rendu*). Quelqu'un peut-il déposer une motion d'approbation?

M. Gundlock: Vous avez parlé de l'ouest de l'Alberta, sous la présidence de M. Marchand?

Le président: Non, de M. St-Pierre.

M. Gundlock: Vous avez dit l'ouest de l'Alberta?

[*Text*]

The Chairman: Manitoba and the Prairies, which includes Saskatchewan. I should have just said Manitoba, Saskatchewan and Alberta.

Mr. Gundlock: I understood you to say Western Alberta.

The Chairman: At the steering committee meeting, Mr. Gundlock, I understood that there would be one committee visiting reserves in British Columbia only. This was my understanding at the steering committee and I think that the report should be amended accordingly. I did not notice this Western Alberta section in here. I think that the

• 1555

Alberta visit should be part of the Prairie visit, not the British Columbia visit.

Mr. Gundlock: Well, not necessarily, but I understood you to say Alberta.

Mr. Simpson: Before you get concurrence in that, Mr. Chairman, do you wish to have any discussion on that further to what took place in the steering committee meeting?

The Chairman: If you would like to raise anything, Mr. Simpson, go ahead. First, could we just clear this one item up? I would like to amend this report, where applicable, to read as follows:

> That subcommittee number 3 be headed by Mr. St. Pierre and visit Manitoba, Saskatchewan and Alberta, and that subcommittee number 4 be headed by Mr. Marchand and visit British Columbia.

We will leave this up to the discretion of the members of each of these committees. If they decide to vary it, there is no problem.

Mr. Gundlock: That is all I was referring to. In Alberta we do not use the terms Western and Eastern Alberta.

Mr. Simpson: It would seem to me, Mr. Chairman, that the committee visiting reserves on the prairies, particularly the three Prairie Provinces, would of necessity require a bit more time than possibly those visting one single province—if they are going to make any kind of significant contribution to our committee work.

The Chairman: We will leave this up to the people who will be members of that committee. If the Committee here have any suggestions how we should divide ourselves up for purposes of these visits we will hear those suggestions now, otherwise you could perhaps

[*Interpretation*]

Le président: Le Manitoba et les Prairies. J'aurais dû dire en fait le Manitoba, la Saskatchewan et l'Alberta.

M. Gundlock: Moi, j'ai compris l'ouest de l'Alberta. C'est cela que vous avez dit.

Le président: Lors de la réunion du sous-comité directeur, monsieur Gundlock, j'ai compris qu'il y aurait un comité qui visiterait les réserves de la Colombie-Britannique seulement. Voilà ce que j'ai compris au comité directeur et je crois que le rapport devrait être modifié en conséquence. J'y ai remarqué ce paragraphe au sujet de l'est de l'Alberta. Je crois que la visite de l'Alberta devrait faire partie de la visite des Prairies, mais non de celle de la Colombie-Britannique.

M. Gundlock: Pas nécessairement, mais de toute façon, j'ai cru vous entendre dire l'Alberta.

M. Simpson: Avant que vous ayez l'accord du Comité à ce sujet, monsieur le président, est-ce que vous voulez que l'on discute de ce qui s'est passé au comité directeur?

Le président: Si vous voulez soulever quelque chose, M. Simpson, allez-y. Pourrions-nous d'abord disposer de cette question. Je voudrais modifier ce rapport où il y a lieu de le faire pour qu'il se lise comme suit: Que le troisième sous-comité soit dirigé par M. St-Pierre et visite le Manitoba, la Saskatchewan et l'Alberta. Que le quatrième sous-comité soit dirigé par M. Marchand et visite la Colombie-Britannique. C'est absolument aux membres du Comité de décider où ils vont, eh bien! s'il veulent aller dans une autre région, peu importe.

M. Gundlock: C'est tout ce que j'avais à dire. En Alberta on ne se sert pas des expressions: l'Ouest et l'Est de l'Alberta.

M. Simpson: Il me semble, monsieur le président, que le comité qui visitera les réserves des Prairies devrait nécessairement disposer de plus de temps que le comité qui visitera une seule province pour que leur contribution soit utile aux travaux de notre comité.

Le président: Eh bien! ce sera aux membree de ce Comité de décider et, si le Comité, ici, a des suggestions à faire quant à la manière dont nous devrions nous répartir pour ces visites, je serais très heureux de les entendre; autrement, eh bien! vous pouvez

[*Texte*]

leave it to the steering committee to simply divide members up pretty well on the basis of where they live. I think though it was the concensus in the steering committee meeting that members should be allowed to go wherever they want to go. It is just a matter of dividing us up into four groups of a certain size. We are completely flexible on this issue. If members do not want to visit their own area I think there is no reason that we cannot send them into another section of the country.

Mr. Borrie: Mr. Chairman, I doubt the advisability of making a tour of the reservations prior to the consultation meetings that are to be held in Ottawa. I feel that we would probably gain much more from the consultation meeting prior to making a trip to the reservations. If it is the concensus that it be left up to the individual committees as to when they would go, I would recommend that it not be until after the consultation meeting is held in Ottawa with the Indians.

The Chairman: We will leave that up to the individual area groups to decide. One of the reasons, for example, of visiting Northern Quebec and Northern Ontario at this time is that the spring breakup starts in April and runs almost all the way through May. So if we do not go now we would not have much opportunity of going this spring to those parts of the country. Now, as this is probably not the case in British Columbia we will leave it up to the individual subcommittees to decide when to go—if this meets with the Committee's approval.

Mr. Gundlock: I have a supplementary to Mr. Borrie's question. I feel the same way but not for the same reason that you mentioned, Mr. Chairman.

These meetings were very, very useful and very fruitful. As we said last week in the House, and I think I can mention that here, these meetings were all set up without the concurrence of the Indians, and this is the cause of most of our trouble. It is the old, old story: the department wants to wait until they get everything all lined up and then have them come. Why not let them come and be a part of this? Do you understand me?

The Chairman: What are you suggesting?

• 1600

Mr. Gundlock: I am referring particularly to the meeting held in Edmonton, Alberta, which by the way was the only one I attended. However I thought it was a very fruitful

[*Interprétation*]

laisser le soin d'en décider au comité directeur qui répartira les membres, en fonction de leur lieu de résidence surtout. Je pense que, au comité directeur, l'avis général était que les gens pourraient aller où ils voudraient aller. On avait pensé à 4 groupes à peu près égaux, mais, nous sommes très souples à cet égard et si certains membres ne veulent pas visiter leur propre région, eh bien! je pense qu'il n'y a aucune raison pour qu'on ne les fasse pas aller dans un autre endroit du pays.

M. Borrie: Monsieur le président, je doute de l'utilité de faire une visite des réserves actuellement, avant les consultations qui doivent avoir lieu à Ottawa. Je pense, pour ma part, qu'il nous serait beaucoup plus utile d'avoir des consultations avant de visiter les réserves. Et, si on estime de façon unanime que c'est au sous-comité de décider de la question des dates, eh bien! je voudrais déposer une recommandation pour que cela ne se fasse pas avant que l'on ait une réunion de consultation avec les Indiens, à Ottawa.

Le président: Eh bien! je pense que c'est à chaque groupe régional de décider. L'une des raisons, par exemple, pour que l'on aille dans le Nord du Québec et dans le Nord de l'Ontario en ce moment, c'est parce que la fonte des neiges arrive en avril et va durer jusqu'en mai; par conséquent, si on n'y va pas maintenant, on n'aura pas beaucoup d'occasions d'y aller ce printemps. Ce n'est probablement pas le même cas en Colombie-Britannique, ce sera aux membres du sous-comité de décider quand partir si cela reçoit, bien sûr, l'approbation du Comité. Monsieur Gundlock?

M. Gundlock: Question complémentaire à la question de M. Borrie. Je pense comme lui, mais pas pour les mêmes raisons que vous avez citées, monsieur le président. Ces réunions ont été très utiles et, comme nous l'avons dit la semaine dernière d'ailleurs à la Chambre, et je crois que je puis mentionner ici que toutes ces réunions organisées sans le concours des Indiens et c'est en grande partie la raison de nos difficultés. C'est toujours la même vieille histoire, le ministère veut attendre jusqu'à ce que tout soit préparé, puis, ensuite, on les fait venir. Et pourquoi ne les fait-on pas participer? Est-ce que vous me comprenez?

Le président: Est-ce que vous voulez dire . . .?

M. Gundlock: Non, je fais d'abord allusion à la réunion de l'Alberta, qui s'est tenue à Edmonton, c'est la seule où je sois allé, mais j'ai pensé pour ma part que c'était une réu-

[*Text*]

meeting. As a result of that meeting delegates were chosen to come and visit with the department. This has been put off now two or three times. This is the old, old story, and this is the very thing that is leading to the unrest with the native people.

The Chairman: You are suggesting, Mr. Gundlock, that we should not delay our visits any longer.

Mr. Gundlock: No, I am suggesting we should not delay the visits that were promised at those times. It has nothing to do with our visits, but I am urging, if possible, that these meetings be held very early, maybe preliminary.

The Chairman: As far as our visits are concerned, which is the subject under discussion, we will leave it up to your Prairie group, Mr. Gundlock, when you will visit your Prairie reserves. It will be up to you and the other members of that group to decide.

Mr. Borrie: There is one other thing that I would like to add, seeing that this is likely to be concurred in. Do we have a right under our terms of reference to visit Métis villages and Métis communities? If we do I would like to see this included, and if we do not, we should.

The Chairman: The sub-committees are being left with fairly flexible terms of reference so that if you happen to be visiting an Indian reserve and there happens to be a Métis village close by, I think that there is no reason in the world why you could not visit it and I would expect you would. You are going to have a fair amount of flexibility and it is up to you to exercise your own discretion once you are out there.

Mr. Borrie: I think that makes the point clear. Thank you, Mr. Chairman.

Mr. Cullen: Mr. Chairman, with the greatest respect, surely we are operating at the present time under the Indian Act and have authority to deal only with our native peoples. I do not think that the Métis are covered. I agree that they certainly have a cause and that something should be done but I do not think this Committee's jurisdiction covers the Métis. We are surely operating under the Act and the Act does not apply to the Métis people.

The Chairman: Mr. Cullen, I think we must remember that we are making this visit

[*Interpretation*]

nion très utile et, à partir de là, on a choisi des délégués pour qu'ils viennent rencontrer les fonctionnaires du ministère et cette réunion a été décommandée déjà deux ou trois fois, je pense, et c'est toujours la même chose.

Le président: C'est la vieille rengaine, et le genre de choses qui a entraîné des difficultés avec les indigènes. Autrement dit, vous ne voulez pas qu'on retarde davantage nos visites.

M. Gundlock: Non. Je veux dire qu'il ne faudrait pas qu'on retarde les visites prévues. Cela n'a rien à voir avec nos visites, mais je souhaite ardemment que les réunions aient lieu très tôt, peut-être à titre préliminaire.

Le président: En ce qui concerne ces visites, ce sera à votre groupe des Prairies de décider, monsieur, lorsque vous visiterez les réserves des Prairies. Ce sera à vous et aux membres de votre groupe de décider.

M. Borrie: Je voudrais ajouter une chose. En vertu de notre mandat, est-ce que nous pouvons visiter les villages et les collectivités métis? Si nous pouvons le faire, je voudrais qu'on l'inclue, et si on ne le fait pas, on devrait le faire.

Le président: Les sous-comités ont un cadre de travail très souple, de sorte que si vous visitiez les réserves indiennes et qu'il y a un village métis tout près, j'imagine qu'il n'y a rien qui vous empêche de vous rendre dans ce village métis et je crois qu'il y aurait lieu de le faire. Il y aura beaucoup de souplesse, c'est donc à vous d'exercer votre propre discrétion lorsque vous serez sur place.

M. Borrie: Ceci explique tout. Merci, monsieur le président.

M. Cullen: Sauf votre respect, en vertu de la Loi sur les Indiens nous sommes autorisés seulement à traiter avec les indigènes. Je ne crois pas qu'elle s'étende aux Métis. Je suis d'accord qu'il faudrait faire quelque chose, mais que notre mandat ne s'étend pas aux Métis. Nous sommes constitués en comité aux termes de la Loi et la Loi ne s'étend pas aux Métis.

Le président: Monsieur Cullen, je pense qu'il ne faut pas oublier que nous faisons ce

[*Texte*]

under the terms of the annual report of the Department of Indian Affairs and Northern Development and that Department does expend certain moneys, at least indirectly, on projects which relate to the Métis people; therefore, since we have such broad terms of reference in the report itself, I do not think we are excluded necessarily from taking an interest in the Métis people.

Mr. Cullen: Has your Committee proposed the make-up of the sub-committees? Has this been given any thought at all? For example, will the people from Ontario cover the Ontario visit?

The Chairman: This was generally the idea but if you wish to visit another area of Canada you might indicate your wishes to the Committee.

Mr. Cullen: I do not have any preference but I just wondered if this was the basis.

Mr. Nielsen: Mr. Chairman, I am sorry I am late. With your permission, with the permission of the Committee, I just have one question to ask on the agenda, which I understand you have already discussed. It concerns Thursday, March 13, where there is a list of witnesses to be called. I assume that the day will be taken up with hearing Mr. MacDonald and people from NCPC, but that Mr. R. H. Choate, Yukon Electric Company or whoever has been invited from there has merely been invited to attend that day.

The Chairman: I understand, Mr. Nielsen, that we will be expecting Mr. Choate's representation on that day if it is possible. If it is not possible ...

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Mr. Nielsen: I came away with a completely different understanding from listening in on the Steering Committee's proceedings the other day. It was my understanding that the following Monday had been set aside to hear the brief of Yukon Electric.

The Chairman: The problem, Mr. Nielsen, was this. Mr. MacDonald, who is the President of NCPC, will be away from March 15 until the end of the month. Since Mr. Carr, of the Carr Commission, could have appeared either the Thursday or the Tuesday we felt it would be preferable to put him on the Tuesday, the 19th, when Mr. MacDonald cannot be here, and that it would be preferable to have Mr. MacDonald here when the Yukon Electric brief is presented.

[*Interprétation*]

voyage en vertu du rapport annuel du ministère des Affaires indiennes et du Nord canadien et que ce ministère dispose de certains crédits, au moins de façon indirecte, pour des projets qui touchent les Métis. Par conséquent, nous ne sommes pas exclus, vu que notre mandat est si souple, de nous intéresser aux Métis.

M. Cullen: Une autre question. Est-ce que votre comité a étudié la possibilité de constituer des sous-comités? Est-ce que vous y avez songé? Par exemple, est-ce que les gens de l'Ontario feront la visite en Ontario?

Le président: C'est l'idée générale, mais seulement si vous désirez vous rendre dans une autre partie du Canada, vous pouvez indiquer vos préférences au Comité.

M. Cullen: Je n'ai pas de préférences; je voulais simplement savoir comment vous faisiez ce partage.

M. Nielsen: Je m'excuse d'être en retard. J'aurais simplement une question à poser à l'égard de l'ordre du jour que vous avez déjà étudié, je crois. Il s'agit du jeudi 13 mars; il y a une liste de témoins à entendre ce jour-là. J'imagine que la journée sera consacrée à entendre M. MacDonald et les représentants de la Commission d'énergie du nord canadien, et que M. R. H. Choate de la *Yukon Electric Company* ou son délégué, n'ont été invités que pour ce jour.

Le président: Si je comprends bien, monsieur Nielsen, on prévoit entendre M. R. H. Choate ce jour-là si possible. Si ce n'est pas possible de le faire...

M. Nielsen: J'ai interprété de toute autre façon les délibérations du comité directeur l'autre jour. J'en avais conclu que le lundi suivant avait été prévu pour entendre le mémoire de la *Yukon Electric*.

Le président: Le problème était le suivant: M. MacDonald, le président de la CENC sera absent du 15 mars jusqu'à la fin du mois de mars. Vu que M. Carr, de la Commission Carr, pouvait comparaître soit le mardi ou jeudi, nous avons pensé qu'il serait préférable de l'inscrire pour mardi le 19 mars, lorsque M. MacDonald ne pourra pas y être. Peut-être qu'il serait préférable d'avoir M. MacDonald lorsque le mémoire de la *Yukon Electric* nous sera présenté.

[*Text*]

This is why we felt Thursday would be preferable, but if it is not possible or not reasonable to expect Mr. Choate to come with his presentation then we will change it.

Mr. Nielsen: That is very kind of you, Mr. Chairman. I got a panic call from Yukon Electric after our Clerk had contacted Yukon Electric. They said that it was just not possible to produce a brief between the time of the call last Friday and next Thursday, but they said that they could do so by the 17th. It would not be as much time as they would have liked but they would certainly prefer the 17th if they could possibly make it. And I do have it noted in my diary that that was the date that was set to hear them.

Mr. Borrie: Three of us are going to be off the Committee on the 13th and I would like to . . .

Mr. Nielsen: That is even worse.

Mr. Kaplan: On a point of order, Mr. Chairman, had not the agenda committee report already been approved by the Committee before Mr. Nielsen came in?

The Chairman: I am afraid it had, yes.

Mr. Kaplan: Is this discussion in order, then?

The Chairman: We had approved the agenda but Mr. Nielsen has brought up what appears to be a physical impossibility on the part of one of the people who has made a point of raising this question before the Committee. Mr. Nielsen, would you mind leaving this with the Steering Committee for us to discuss tomorrow after the meeting? We will have a steering committee meeting immediately following the meeting tomorrow.

Mr. Nielsen: Thank you, Mr. Chairman. That is fine.

The Chairman: Could we have a motion for concurrence in the third report which we discussed a minute ago concerning dividing the Committee into sub-committees for purposes of travelling? Do I have a motion for concurrence in this report?

Mr. Simpson: I do not know how binding this is going to be. I do not think it is going to be that binding to bring this question up but I do think we should mention it. You were mentioning that it would not be necessary to take any staff on these. It will be necessary and expenditures will have to be available for interpreters and things of that nature on the site, possibly.

[*Interpretation*]

C'est la raison pour laquelle nous avons pensé qu'il serait préférable que ce soit jeudi, mais si ce n'est pas possible pour M. Choate de se rendre, nous changerons.

M. Nielsen: C'est très gentil de votre part. Mais j'ai reçu un message de détresse de la *Yukon Electrical* lorsque notre secrétaire les a contactés. Ils m'ont dit que ce n'était pas possible de préparer ce mémoire en vertu du temps qui était à leur disposition soit de vendredi dernier à jeudi prochain. Mais ils nous ont dit qu'ils pourraient le faire pour le 17. Ils auraient aimé avoir plus de temps, mais enfin ils pourront sûrement se préparer pour cette date. J'ai noté cette date à mon calendrier pour l'audience.

M. Borrie: Trois d'entre nous seront absents le 13 mars et je voudrais . .

M. Nielsen: C'est encore pire.

M. Kaplan: Un point d'ordre. Est-ce que cet ordre du jour a été approuvé avant que M. Nielsen arrive?

Le président: Je crois que oui.

M. Kaplan: Est-ce que cette discussion est recevable alors?

Le président: Nous avions approuvé l'ordre du jour mais M. Nielsen nous a signalé une impossibilité matérielle de la part d'un des représentants. Monsieur Nielsen, êtes-vous d'accord pour qu'on laisse cette question au comité directeur et nous en reparlerons demain? Nous avons une réunion du comité directeur après la réunion du comité demain.

M. Nielsen: Merci beaucoup. Je suis d'accord.

Le président: Est-ce que nous pourrions être saisi d'une motion pour approuver ce troisième rapport dont nous venons de parler il y a un instant, pour ce qui est du partage du Comité en sous-comité aux fins des placements? Donc est-ce que vous présentez une motion pour l'adoption de ce rapport?

M. Simpson: Monsieur le président, je ne sais pas comment cela nous lie à ce point de parler de la question, mais je pense qu'il serait bon de la mentionner. Vous avez dit qu'il ne serait pas nécessaire d'avoir de personnel. Mais il faudra prévoir les frais d'interprète et autres frais connexes sur place, ne croyez-vous pas.

[*Texte*]

The Chairman: We have cleared this with the authorities of the House of Commons and the persons named here who will head each of the sub-committees will be responsible for obtaining receipts and paying all these necessary items.

Mr. Simpson: Very good.

Mr. O'Connell: Mr. Chairman, what arrangements will be reasonable if we concur in this? How are we to know in very fast order who is going where? It could be quite a confused situation if, for example, the western group decided not to travel for a while. They might like to go to Quebec and so forth and we will all be scrambling as four or five leaders of small delegations to know who is who and make the arrangements.

The Chairman: I suggest that this would be a good topic for discussion at our steering committee after tomorrow's meeting.

Mr. O'Connell: Well, it is getting later and later and I am very much concerned lest in the end we drop in unannounced on Indian communities. I think we should make our selection and ask permission to drop in and I

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think we should accelerate that.

The Chairman: If members present will indicate their intentions to the four persons mentioned between now and the meeting of the steering committee tomorrow, we will be in a position to decide as to where members wish to go. Mr. O'Connell, does it meet with your approval that between now and tomorrow the members of the Committee who are here will indicate their intentions to the four individuals mentioned and that we will make the final division tomorrow at this steering committee meeting?

Mr. O'Connell: May I suggest that if it would not be burdening the Clerk of the Committee unduly, he actually circularize people in a formal way so that we do not just drift down.

The Chairman: Excellent suggestion. The Clerk has informed me he will try to do this tonight.

Mr. O'Connell: Thank you.

Mr. Dinsdale: Mr. Chairman, the point has already been raised about the suitability of the timing. I suggest that if there is any nega-

[*Interprétation*]

Le président: Nous avons pris ses dispositions auprès des autorités de la Chambre des communes et la personne qui dirigera chacun des sous-comités sera responsable d'obtenir des reçus et de défrayer ces dépenses.

M. Simpson: Très bien.

M. O'Connell: Monsieur le président, quelles seraient les dispositions raisonnables si nous l'adoptions? Comment pouvons-nous savoir rapidement qui va à quel endroit? Il pourrait y avoir beaucoup de confusion si, par exemple, le groupe de l'ouest se décidait de ne pas se déplacer pour un certain temps. Ils décideraient peut-être de se rendre à Québec et il y aura beaucoup de confusion entre les quatre ou cinq délégations pour savoir qui est qui, et qui doit prendre les dispositions voulues.

Le président: Nous pourrons en parler au Comité directeur après la séance de demain.

M. O'Connell: Le temps file et à la fin nous allons nous rendre là-bas sans crier gare. Il nous faut donc faire le choix et demander l'autorisation pour se rendre dans les réserves au plus vite.

Le président: Je pense que si les membres veulent bien indiquer leurs intentions aux quatre personnes mentionnées d'ici la réunion du comité directeur demain, nous serons alors en mesure de décider où les députés désirent aller. M. O'Connell, est-ce que vous êtes d'accord que d'ici demain, les membres du comité ici présents indiquent leur préférence aux quatre personnes désignées et nous ferons la répartition définitive demain à la réunion du comité directeur?

M. O'Connell: Messieurs les députés, si ce n'est pas trop demander au secrétaire du Comité, peut-être pourrions-nous lui demander de faire circuler les listes aux gens de façon à ce qu'on ne parte pas à gauche et à droite.

Le président: Excellente suggestion. Le greffier me dit qu'il essaiera de le faire ce soir.

M. O'Connell: Merci.

M. Dinsdale: Monsieur le président, on a déjà soulevé la question de l'opportunité des visites. Je vous proposerais que s'il y a une

[*Text*]

tive reaction when approaches are made to the reservations, or the Métis community, we would like to visit, that should be the deciding factor. I do not think we should impose ourselves upon these people if it is the wrong time and the wrong occasion. I hope that information can be obtained as quickly as possible.

The Chairman: I think we all generally agree with that, Mr. Dinsdale.

Mr. Nielsen, you were not here when the answers to your questions were tabled.

Mr. Nielsen: The Clerk was kind enough to give me a copy.

The Chairman: I presume you will be commenting on these when we get to the power question?

Mr. Nielsen: Yes, if you please, Mr. Chairman; but that will not be today.

The Chairman: No.

Gentlemen, the next item on the agenda is Bill C-153, An act to amend the Historic Sites and Monuments Act.

We have before us today from the Department of Indian Affairs and Northern Development Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation) on my right; Mr. J. I. Nicol, Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. H. A. Johnson, Head, Operations Policy Section, Operations Division, National Historic Sites Services, National and Historic Parks Branch; and Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

I understand Mr. Gordon is going to start with a short explanation of this Bill.

Mr. J. H. Gordon (Senior Assistant Deputy Minister (Conservation) Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. I understand it is your wish to deal with the Bill first. I have an additional very general statement to make at what you consider to be the appropriate time, but the Bill itself appears to be largely self-explanatory.

The amendments are designed primarily to restore to the Historic Sites and Monuments Board of Canada a representative of the National Museum.

Membership of the Historic Sites and Monuments Board is governed by Section 4 (1) of

[*Interpretation*]

réaction négative lorsqu'on s'adresse aux réserves ou aux collectivité de Métis que nous aimerions à visiter, alors ce devrait être le facteur décisif; je ne crois pas qu'on doive s'imposer; ce n'est pas le moment de le faire, surtout pas en ce moment. J'espère que nous pourrons trouver ces renseignements le plus vite possible.

Le président: Nous sommes d'accord avec cela, monsieur Dinsdale.

M. Nielsen, vous n'étiez pas ici lorsqu'on a déposé réponses à vos questions.

M. Nielsen: Le secrétaire a été assez bon pour m'en donnez un exemplaire.

Le président: Je suppose que vous ferez des observations là-dessus lorsque nous en serons à la période des questions sur l'énergie électrique?

M. Nielsen: Oui, s'il vous plaît, monsieur le président, mais ce ne sera pas aujourd'hui?

Le président: Non.

Nous passons maintenant, messieurs, au point suivant, soit le Bill C-153, Loi modifiant la Loi sur les lieux et les monuments historiques. Nos témoins, cet après-midi, sont M. J. H. Gordon, sous-ministre adjoint senior à la conservation; M. J. I. Nicol, Directeur, Direction des parcs nationaux et des lieux historiques; M. P. H. Bennett, directeur adjoint des lieux historiques. Direction des parcs nationaux et des lieux historiques; M. P. B. Lesaux, chef de la Division de l'Exploitation, Direction des parcs nationaux et des lieux historiques; M. H. A. Johnson, directeur de la section de l'exploitation politique, Division de l'exploitation, Division des parcs nationaux et des lieux historique; est M. L. H. Robinson, directeur régional, région de l'Atlantique, Direction des parcs nationaux et des lieux historiques.

Je pense que M. Gordon vous donnera une brève explication de ce projet de Loi.

M. J. H. Gordon (Sous-ministre adjoint senior (conservation), ministère des Affaires indiennes et du Nord canadien): Merci, monsieur le président, si je comprends bien, vous désirez tout d'abord étudier ce Bill. J'aurai une déclaration d'ensemble à faire, au moment que vous jugerez approprié, mais le bill lui-même ne semble pas avoir besoin d'explications.

Les amendements sont conçus essentiellement en vue de restaurer à la Commission des lieux et monuments historiques, d'y nommer un représentant des musées nationaux. La désignation de membres à la Commission des lieux et monuments historiques est régie

[*Texte*]

the present Act. There is provision for representation from each of the provinces, plus the Dominion Archivist and one representative of the Department of Indian Affairs and Northern Development. In addition, the provinces of Ontario and Quebec are entitled to one additional member each.

Prior to the Government Organization, Act of 1966, the National Museum of Canada was represented on the Board. The present amendment is intended to provide a place for this former connection, the representative of the National Museum to be designated by the Secretary of State.

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An amendment consequential to this is that the quorum, which is now set at seven, be raised to eight for the purposes of the meetings of the Board.

The third amendment is to make it possible to pay honoraria to members of the Board, consistent with modern day practice.

The present Act stipulates that members of the Board may be paid $20 a day for each day they are necessarily absent from their ordinary place of residence. I might say in parentheses that this is over and above out-of-pocket travel expenses. This allowance was set many years ago and the value of the dollar has depreciated, of course. It is seriously out of line by comparison with other national bodies. Considering the high professional qualifications of the Board members and the importance of the work they have to do a larger payment is obviously appropriate.

The amendment also provides that the remuneration may be fixed by the Governor in Council. This will enable adjustments to be made from time to time without the necessity for an amendment to the Act.

I think this is all I can say at this time, Mr. Chairman.

On Clause 1—Board established.

The Chairman: Gentlemen, we are on Clause 1. Do you have some general questions? Mr. Gundlock?

Mr. Gundlock: I have one, Mr. Chairman. I have learned within the last day or two that there is a valuable property in Moncton, New Brunswick, that is available free of charge to this Department. The name of the man involved is Macdonald and he would like to have it named "Macdonald". It is a very valuable property. It is available if the Department would like to take possession of it.

[*Interprétation*]

par l'article 4(1) de la présente Loi. La Loi prévoit des représentants venant de chaque province, plus l'Archiviste du Dominion et un représentant du ministère des Affaires indiennes et du Nord canadien. En plus, les provinces de l'Ontario et du Québec ont droit à un représentant chacune.

Avant la Loi sur l'organisation du gouvernement de 1966, le Musée national du Canada y était représenté. Le présent amendement rétablit maintenant cette ancienne correction: le représentant du Musée national sera désigné par le Secrétaire d'État. Un amendement conséquent prévoit que le quorum qui est maintenant de 7, soit porté à 8.

Le troisième amendement permettra de payer des honoraires aux membres de la Commission, comme on le fait de nos jours. La présente Loi stipule que les membres de la Commission recevront vingt dollars par jour tous les jours où ils sont absents de leur résidence habituelle. Je dois dire que c'est là, en plus, bien sûr, des dépenses de déplacement, étant donné qu'il y a eu une dévaluation depuis que ce chiffre a été fixé, et ce chiffre, par conséquent, est très dépassé par rapport aux autres organismes semblables. Il est donc nécessaire d'avoir une meilleure redevance. Il est également prévu que la rémunération sera fixée par le gouverneur en conseil. Cela pourra être fait, de temps en temps, sans que la Loi soit nécessairement modifiée à cet effet, monsieur le président.

Sur l'article 1—*Établissement d'une commission.*

Le président: Eh bien, messieurs, nous étudions l'article 1. Est-ce que vous avez des questions d'ordre général? Monsieur Gundlock?

M. Gundlock: Oui, monsieur le président. J'ai appris, au cours des derniers jours, qu'une propriété de valeur à Moncton, dans le Nouveau Brunswick, est disponible sans frais par l'entremise du ministre; et le propriétaire est MacDonald et il voudrait que ce soit appelé «MacDonald». Si le ministère veut en prendre possession, il peut le faire. Disons, d'une manière non partisane, que nous espé-

[*Text*]

I mention it in a non-partisan way to the Department, with the hope—and I say hope—that it would be named Macdonald—perhaps Sir John A. Would the officials here accept such a thing?

Mr. Gordon: Mr. Chairman, on this the Minister is advised by the Board that is the subject of the amendment to this Act that we now have before us.

Certainly we would welcome hearing any proposal involving a site of national significance and would be glad to do the necessary research and put it before the Board for consideration.

Mr. Gundlock: Mr. Chairman, I am sorry I do not have the details of it here. There are maps and everything else. Frankly, I do not know any of the details whatsoever, but the site is available free of charge.

Perhaps tomorrow, at a special occasion, I could present it, and one of the officials of the Department could be here and could examine it.

The Chairman: Mr. Gundlock, it was the hope of the steering committee that as this Bill simply concerns the membership of the Historic Sites and Monuments Board of Canada it would be completed today.

Mr. Gundlock: Mr. Chairman, I take no exception whatsoever to the Bill. I merely wanted to raise this matter.

Mr. Gordon: Mr. Chairman, to be helpful to Mr. Gundlock, we would be delighted to get in touch with him by telephone, or have somebody see him . . .

Mr. Gundlock: Perhaps a meeting in your office?

• 1620

Mr. Gordon: Yes, indeed; we can undertake to get in touch with you tomorrow and get the particulars of this property.

The Chairman: Is that satisfactory, Mr. Gundlock?

Mr. Gundlock: That is fine.

[*Interpretation*]

rons qu'elle soit appelée MacDonald, peut-être Sir John A. Je ne sais pas si les fonctionnaires ici présents accepteraient une chose semblable?

M. Gordon: Monsieur le président, à ce sujet, le ministre est avisé par la Commission qui fait l'objet de l'amendement à la présente Loi que nous étudions. Nous serions tout à fait heureux d'entendre parler d'un lieu d'intérêt national et d'entreprendre les enquêtes nécessaires pour les soumettre à l'attention de la Commission.

M. Gundlock: Monsieur le président, je m'excuse de ne pas avoir des détails avec moi. Disons, qu'il y a des cartes, et autres documents semblables. Mais disons qu'il s'agit de quelque chose qui est libre; je n'en connais pas les détails, voilà tout! Mais le lieu est libre; il est gratuit.

Demain peut-être, j'aimerais vous apporter certains documents; peut-être, on pourrait faire venir un membre du ministère, qui pourrait les étudier.

Le président: Monsieur Gundlock, le Comité de direction espérait, qu'étant donné que ce projet de Loi est simplement un projet portant sur la composition de la Commission des lieux et monuments historiques du Canada. Que le tout soit réglé aujourd'hui.

M. Gundlock: Je ne m'y oppose pas, monsieur le président. Je voulais tout simplement soulever cette question pour le moment.

M. Gordon: Monsieur le président, il serait peut-être bon de dire à M. Gundlock que nous serions très heureux de nous mettre en rapport avec lui, par téléphone, ou de lui envoyer quelqu'un. . .

M. Gundlock: Peut-être un rendez-vous dans votre bureau?

M. Gordon: Certainement; et nous pourrions chercher à vous rencontrer dès demain, et puis, nous aurions plus de renseignements à ce sujet.

Le président: Cela vous satisfait-il, monsieur Gundlock?

M. Gundlock: C'est excellent.

[*Texte*]

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Chairman, relative to the Bill, as we indicated when it was under discussion in the House of Commons, it is a housekeeping bill only, to make possible the addition of a representative from the National Museums and, as Mr. Gordon has indicated, to increase the quorum and to deal with inflationary problems.

Would it be fair to ask if any of the witnesses have any strong feelings on the recent reorganization of the national Historic Sites and Monuments Board of Canada? It was formerly under the Department of Northern Affairs and National Resources.

The museums have now moved into the Secretary of State Department, and there was this former fairly close relationship between the work of the museums and the Historic Sites and Monuments Board of Canada. Do you feel the addition of one representative on the Historic Sites and Monuments Board of Canada representing the museums is a close enough liaison in this very important work of preserving and commemorating Canada's historic past?

Mr. Gordon: Mr. Chairman, the purpose of this amendment, of course, is to make it possible for the museum to be represented on the Board, but beyond that there is very close liaison with the museum at the official level with respect to matters that are of joint concern to the museum and to the historic sites activity. I feel this relationship is very effective. Mr. Bennett might speak to this at greater length, if this is your wish, Mr. Chairman.

The Chairman: Would you like Mr. Bennett to comment further, Mr. Dinsdale?

Mr. Dinsdale: If he would care to expand on it. I do not want to go into policy areas, but I am just curious.

Mr. P. H. Bennett (Assistant Director, Historic Parks, National Historic Parks Branch, Department of Indian Affairs and Northern Development): Mr. Chairman, there is really very little I can add at this stage.

[*Interprétation*]

Le président: Monsieur Dinsdale?

M. Dinsdale: Monsieur le président, en ce qui concerne le projet de Loi, comme on l'a dit lorsqu'il a été discuté à la Chambre des communes, il s'agit d'un projet de Loi, disons, d'entretien des choses qui devrait permettre d'ajouter un représentant des Musés nationaux, et, comme M. Gordon l'a indiqué, d'augmenter le quorum et de régler les problèmes d'inflation?

Je me demande s'il serait juste de demander à votre témoin ou à l'un quelconque des témoins, s'ils ont des vues bien arrêtées en ce qui concerne la réorganisation récente de la Commission des lieux et monuments historiques du Canada qui dépendait autrefois du ministère des affaires du Nord et des ressources naturelles.

Les musées sont maintenant rattachés au secrétariat d'État, et il y avait autrefois des rapports assez étroits entre les travaux des musées et ceux de la Commission des lieux et monuments historiques du Canada. Pensez-vous que l'ajout d'un représentant des musées à la Commission des lieux et monuments historiques du Canada soit une liaison suffisamment étroite pour cette tâche si importante qui consiste à préserver et à commémorer le passé historique du Canada?

M. Gordon: Monsieur le président, le but de cette modification, bien sûr, est de permettre que les musées soient représentés officiellement à la Commission, mais, en dehors de cela, il y a une liaison très étroite avec le musée au niveau officiel en ce qui concerne les problèmes qui intéressent conjointement les musées et la Commission des lieux historiques. Je pense que ces rapports sont très efficaces. M. Bennett pourrait donner des précisions à ce sujet, si vous le voulez, monsieur le président.

Le président: Monsieur Dinsdale, voudriez-vous que M. Bennett fasse d'autres observations?

M. Dinsdale: S'il veut bien ajouter quelques précisions. Je ne veux pas aborder les questions de politique, mais la chose m'intéresse.

M. P. H. Bennett (directeur adjoint, Lieux historiques, Direction des parcs nationaux et des lieux historiques, ministère des Affaires indiennes et du Nord canadien): Monsieur le président, il n'y a vraiment pas grand-chose

[*Text*]

However, I can assure you that on the research side, which of course is the side most closely involved, both myself and Dr. Taylor, with other members of our research staff work very closely indeed with their appropriate opposite numbers and we have found that in every respect this relationship seems to be working out well and to our mutual satisfaction.

Mr. Dinsdale: Mr. Gordon made the statement, Mr. Chairman, that the members of the Board are all highly qualified professionally; hence the necessity for adequate remuneration. Certainly you will have a professional representative from the National Museums. Who are the other professional members of the Board?

Mr. Gordon: I would like to say, sir, that we have a list—and this relates to the more general statement that I promised later—and it is with some papers which, with the permission of the Chairman and the Committee, we will be tabling and it includes a detailed list of each of the members of the Board. I would be glad to read this list if this is your wish.

Mr. Dinsdale: Mr. Chairman, are we going to consider the estimates of the Historic Sites and Monuments Board immediately following the bill?

The Chairman: Yes.

Mr. Dinsdale: Perhaps that would be a tidier way of doing it because I think it will bring forward most of the information that I am seeking at this time. Actually, there is nothing controversial in the bill; it is merely a housekeeping measure but it provided an

• 1625

opportunity to go further than merely housekeeping to strengthen the efforts of the Canadian Government in commemorating our past.

The Chairman: Mr. Simpson.

Mr. Simpson: Mr. Chairman, I have a few questions I would like to ask, but I think possibly they could more conveniently be asked during the consideration of the estimates.

[*Interpretation*]

que je puisse ajouter à ce stade. Mais je peux certainement vous assurer qu'au niveau de la recherche, qui est, bien sûr, le domaine le plus intéressé à la question, M. Taylor et moi-même, ainsi que nos autres chercheurs, travaillons en collaboration très étroite avec nos homologues, et il semble que ces rapports soient très efficaces à tous points de vue et nous satisfassent tous.

M. Dinsdale: Monsieur le président, M. Gordon a fait remarquer que tous les membres de la Commission sont des personnes de haute compétence professionnelle, et devraient donc être rémunérées en conséquence. Il y a certainement un représentant professionnel des Musées nationaux. Qui sont les autres membres spécialistes de la Commission?

M. Gordon: Je voudrais vous dire, monsieur, que nous avons une liste des membres de la Commission—et cela se rattache à la déclaration générale que j'ai promis de faire plus tard; elle se trouve au milieu de certains documents que, si le président et le Comité le permettent, nous allons déposer; il s'agit d'une liste détaillée qui indique le nom de chacun des membres de la Commission. Je peux vous lire cette liste, si vous le voulez.

M. Dinsdale: Monsieur le président, est-ce que nous allons étudier les prévisions budgétaires de la Commission des lieux et monuments historiques immédiatement après avoir examiné le Bill?

Le président: Oui.

M. Dinsdale: Ce sera peut-être alors une meilleure occasion, car je pense que cela nous permettra d'obtenir la plupart des renseignements dont j'ai besoin. En fait, il n'y a rien de litigieux dans ce projet de loi; il s'agit simplement d'une mesure courante, mais, en outre, elle donne l'occasion de faire plus que cela pour renforcer les efforts du gouvernement canadien en vue de commémorer notre passé.

Le président: Monsieur Simpson.

M. Simpson: Monsieur le président, j'ai quelques questions à poser, mais je pense que peut-être il vaudrait mieux les poser au moment de l'étude des prévisions budgétaires.

[*Texte*]

The Chairman: Are there any other questions, gentlemen?

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

The Chairman: Shall I report the Bill?

Some hon. Members: Agreed.

[*Interprétation*]

Le président: Y a-t-il d'autres questions, messieurs?

L'article 1 est adopté.

L'article 2 est adopté.

Le titre est adopté.

Le président: Dois-je faire rapport du Bill?

Des voix: D'accord.

APPENDIX K

ANSWERS TO QUESTIONS BEFORE THE STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REF: Minutes of Proceesings and Edivence No. 3—Nov. 7, 1968

1. What did NCPC pay to YCGC for the distribution system in Dawson City?

The NCPC acquired the electric power distribution system, the water pumping plant and distribution system, serving the Dawson City Townsite, and an office building with living quarters, including storage and warehouse buildings, and several parcels of land, by purchasing the shares of the Dawson Electric Light Company, The Dawson City Water and Power Company Limited, and the Yukon Telephone Syndicate Limited, for $102,000, distributed as follows:

Electrical distribution system, $24,000; Water pumping and distribution, $65,000; Office building and living quarters, $10,000; Supplies and Materials inventory, $3,000.

2. What portion of the purchased assets were incorporated in the present system?

Of the electrical distribution system, meters, transformers and portions of the power lines on the perimeter of Dawson City area have been utilized in the reconstructed electrical distribution system.

The Office Building and living quarters have been utilized for Administration of the electrical and water supply utilities and as a dwelling for the Plant Superintendent. These premises also serve as a vehicle garage, stockroom and electrical repair shop.

3. What did NCPC pay Discovery Mines for the three 250 KW diesel electric units moved from Carmacks to Dawson?

The NCPC paid LaForma Mines Ltd. $50,000 for three 250 kw diesel generating units, control switchgear and miscellaneous plant equipment.

4. What were the costs to overhaul these units after they were moved to Dawson?

Answer—$5,195.

5. Why has no interest or depreciation been charged to the Dawson Operations (i.e. in respect to the fiscal year 1967/68)?

Section 16 of the NCPC Act provides that interest on capital advances relative to a particular project shall be capitalized to the end of the fiscal year in which the project is declared completed.

The Dawson City electrical power generation and distribution system project was declared complete during the fiscal year 1967/68, consequently interest on capital advances for construction of the project was capitalized to March 31, 1968.

It is the policy of the Commission, in accordance with Section 10 of the NCPC Act, to charge as depreciation the annual repayment of capital invested in a given project, which, together with interest on capital outstanding, constituted the capital charges to be recognized in determining the rates for utility services supplied by the project in reference. Apart from repayment of principal, depreciation is charged also in respect to assets acquired out of earnings.

Since repayment of principal was not applicable during the fiscal year 1967/68, and there had been no acquisition of assets out of earnings in that year, and because interest on capital advances was capitalized to March 31, 1968 (in accordance with Section 16 of the NCPC Act), the omission of interest and depreciation in the Operating Statement for 1967/68 re the Dawson operation is in no way contrary to the provisions of the NCPC Act.

6. Explanation re comparison of sales to net Income (re Mayo and Whitehorse).

Under normal circumstances the Commission endeavours to budget for a small surplus in respect to each plant, since there is currently no provision in the NCPC Act for interplant transfer of surplus and deficits. However, factors such as abnormal load growth with resultant revenue increase (and in some instances unexpected load and revenue decline) and unforeseeable maintenance expense (e.g. equipment breakdown, storm damage, etc.) can cause significant departures from the project budget. Consequently, the operating statements for a given year may reveal considerable variation from plant to plant in the ratio of net income to sales.

In the case of Mayo the rate for power supplied to the main mining load has been maintained at a level that was appropriate a few years ago when a significant surplus was accumulated due to consumption exceeding budget forecasts, but this rate is inadequate for current load and cost conditions; hence a

APPENDICE K

RÉPONSES À DES QUESTIONS DEVANT LE COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU NORD CANADIEN.

Ref: Procès-verbaux et témoignages, fascicule 3, 7 novembre 1968.

1. Quelle somme la CENC a-t-elle versée à la YCGC pour le réseau de distribution de Dawson?

La CENC a acquis le réseau de distribution d'énergie électrique et l'usine de pompage et le réseau de distribution d'eau desservant le lotissement urbain de Dawson, ainsi qu'un bâtiment à bureaux avec logements, y compris des magasins en entrepôts, et plusieurs parcelles de terrain, en achetant les parts de la *Dawson Electric Light Company*, de la *Dawson City Water and Power Company Limited* et de la *Yukon Telephone Syndicate Limited*, pour la somme de $102,000, répartie comme suit:

Réseau de distribution d'énergie électrique, $24,000; Usine de pompage et réseau de distribution d'eau, 65,000; Bâtiment à bureaux avec logements $10,000; Fournitures et matériel $3,000.

2. Quels sont les matériels achetés qui ont été incorporés au réseau actuel?

Quelques compteurs, des transformateurs et certaines sections des lignes périphériques du réseau de distribution d'énergie électrique de Dawson ont servi à la reconstruction du réseau.

Le bâtiment mixte bureaux-logements a servi à abriter les services administratifs des eaux et de l'électricité et à loger le directeur de l'usine. On y a également installé un garage, un magasin et un atelier de réparation électrique.

3. Quel montant la CENC a-t-elle versé à la société «Discovery Mines» pour les trois groupes électrogènes diesel de 250 kW transportés de Carmacks à Dawson?

La CENC a payé $50,000 à la société *La-Forma Mines Ltd.* pour trois groupes électrogènes diesel de 250 kW, un appareillage de commande et divers matériels.

4 A combien se sont élevés les frais de révision générale à leur installation à Dawson?

Réponse: $5,195.

5. Pourquoi n'a-t-on pas imputé les intérêts ni les frais d'amortissements au compte d'exploitation du réseau de Dawson, pour l'année financière 1967-1968

L'article 16 de la Loi sur la CENC prévoit que l'intérêt des avances en capitaux octroyées pour un projet donné doit être capitalisé jusqu'à la fin de l'année financière au cours de laquelle le projet en question est déclaré achevé.

Étant donné que le projet de production et de distribution d'énergie électrique de Dawson a été déclaré achevé au cours de l'année financière 1967-1968, l'intérêt des avances en capitaux octroyées pour son exécution a été capitalisé jusqu'au 31 mars 1968.

En règle générale, la Commission, en conformité avec l'article 10 de la Loi sur la CENC, inscrit au poste des frais d'amortissement, le montant remboursé annuellement sur le capital investi dans un projet donné, montant qui, avec l'intérêt du capital à percevoir, forme les frais d'établissement à prendre en considération dans la fixation des tarifs des services publics fournis par les installations objects du projet en question. Outre l'imputation au compte du remboursement du capital, des frais d'amortissement s'inscrivent aussi à l'actif acquis par les bénéfices.

Comme le remboursement du capital n'était pas possible au cours de l'année financière 1967-1968, et qu'il n'y a pas eu acquisition d'actif par les bénéfices cette même année, que d'autre part des avances en capitaux a été capitalisé jusqu'au 31 mars 1968 (en conformité avec l'article 16 de la Loi sur la CENC), l'omission de l'intérêt et des frais d'amortissement dans les comptes d'exploitation du réseau de Dawson pour 1967-1968 ne va pas du tout à l'encontre des dispositions de ladite Loi.

6. Analyse comparative des ventes et du revenu net (Mayo et Whitehorse).

Dans des conditions normales, la Commission tâche d'établir un budget légèrement excédentaire pour chaque usine, car la Loi sur la CENC ne contient pas ordinairement de disposition prévoyant le transfert des excédents et des déficits d'une usine à l'autre. Cependant, certains facteurs, par exemple une croissance anormale de la charge entraînant une augmentation des revenus (et, parfois, une charge inattendue associée à une baisse du revenu) et des dépenses d'entretien imprévues (dues, par exemple, à des pannes de l'installation, à des dégâts causés par les intempéries, etc.) peuvent aboutir à des écarts importants par rapport au budget proposé. En

deficit has been budgetted for this operation in a concerted policy of reducing the surplus but maintaining the rate pending a firm indication of the future life of the existing mine loads. Consequently, the Mayo operation showed a deficit of approximately $60,000 for 1967/68.

In the case of the Whitehorse operation, load growth, not unforeseen, produced a surplus in 1967/68 of approximately $130,000. However, load growth projections have lead to installation of additional generating capacity commenced in the 1967/68 fiscal year but which will not be reflected in the operating cost statement before 1969/70; consequently, there will be an accumulation of surplus for the yeads 1967/68 and 1968/69 pending realization of the effect of plant expansion as well as general operating cost escalation. Current forecasts indicate that the existing rate structure will be appropriate for 1969/70 and at least a few succeeding years, providing surplus accumulated prior to 1969/70 is applied to increase the contingency reserve account in recognition of expanded plant facilities, in accordance with policy adopted to conform with requirements of the Act.

7. Information re number of houses constructed for Indians and supplied with electricity in the Yukon, and total number of electrical service connections.

8. Was an offer made to sell the Bear Creek to Dawson City Transmission Line to the NCPC for $11,000?

The Commission received an offer as stated, but the offer was not taken up because the sellor, or the sellor's agent, had a continuing requirement for power at Bear Creek which could best be supplied from Dawson over the said transmission line. If the Commission were to have purchased the transmission line in reference it would have had to adjust the rates for power supplied to Bear Creek to recognize the cost of the transmission line; however, it was difficult to determine how long the demand at Bear Creek might last. Arrangements were subsequently made whereby power is supplied to Bear Creek at the Dawson rates over the existing transmission line with no charge to the NCPC in respect to that line.

9. Number of homes and business premises in the Yukon heated by electricity?

Information from the Commission's own knowledge and procured from others is: Homes heated by electricity—7; Business premises heated by electricity—3.

The Whitehorse Hospital and associated premises are heated part time, i.e. during certain hours of the day and during summer months when surplus hydro capacity is available, by steam generated in electric boilers supplied from the Commission's Whitehorse Rapids hydro plant.

Community	Houses for Indians		Total Electricity Services
	Houses Built	Wired for Electricity	
Carcross	1	8	69
Carmacks	14	9	57
Carmacks under construction	2	2	
Haines Junction	13	13	79
Watson Lake	—	36	203
Watson Lake (2½ Mile Post)	3	3	
Watson Lake under construction	1	1	
Teslin	25	22	68
Destruction Bay	—	15	39
Burwash Landing	8	12	
Beaver Creek	2	2	25
Old Crow	6	23*	40
Upper Liard	12	8	23
Upper Liard under construction	3	3	
Lower Post	8	5	8
Stewart Crossing	Nil	Nil	6
Pelly Crossing	24	22	38
Ross River	21	17	49
Keno City	Nil	Nil	45

*Several more being wired.

(Above information supplied by Department of Indian Affairs and Northern Development.)

conséquence, les comptes d'exploitation d'une année donnée peuvent présenter des différences considérables d'une usine à l'autre pour ce qui est du rapport revenu net-ventes.

Dans le cas de Mayo, le tarif du courant fourni au principal utilisateur minier a été maintenu à un niveau qui se justifiait il y a quelques années, époque où furent accumulés d'importants excédents en raison d'une consommation supérieure aux prévisions budgétaires, mais qui n'est plus suffisant pour les conditions actuelles de charge et de coût. Aussi a-t-on prévu un budget déficitaire pour l'exploitation du réseau de Mayo, l'idée générale étant de réduire les excédents sans changer le tarif, en attendant de connaître avec précision les besoins futurs des sociétés minières actuelles. En conséquence, cette exploitation a accusé, en 1967-1968, un déficit d'environ $60,000.

Dans le cas de l'exploitation de Whitehorse, une augmentation non imprévue de la charge a entraîné, en 1967-1968, un excédent d'environ $130,000. Cependant, en raison des prévisions touchant cette augmentation, on a été amené à accroître la puissance installée. Les travaux ont commencé dans l'année financière 1967-1968, mais leur incidence n'apparaîtra pas dans les comptes d'exploitation avant 1969-1970. Il y aura donc accumulation des excédents pendant les années 1967-1968 et 1968-1969 en attendant que se manifeste le contrecoup de l'agrandissement de la centrale et de l'escalade générale des frais d'exploitation. Selon les prévisions courantes, le régime actuel des tarifs restera valable en 1969-1970 et au moins quelques années encore, pourvu que les excédents accumulés avant 1969-1970 servent à augmenter le fonds de prévoyance, compte tenu des installations supplémentaires, conformément à la ligne de conduite adoptée pour satisfaire aux exigences de la Loi.

7. Renseignements sur le nombre de maisons construites au Yukon à l'intention des Indiens et pourvues de l'électricité, et sur le nombre total de branchements sur le réseau électrique.

8. A-t-on offert de vendre à la CENC la ligne de transport de courant reliant Bear Creek à Dawson City pour $11,000?

La Commission a bien reçu une offre de ce genre, mais aucune suite n'y a été donnée du fait que le vendeur, ou son agent, avait toujours besoin de courant à Bear Creek et que c'est à partir de Dawson qu'il aurait pu être approvisionné dans les meilleures conditions par la ligne en question. Si la Commission l'avait achetée elle aurait dû reconsidérer les tarifs de l'énergie fournie à Bear Creek pour tenir compte de son prix de revient. Or, il était difficile de savoir combien de temps durerait la demande à Bear Creek. Il a été par la suite convenu d'approvisionner Bear Creek par la ligne existante aux tarifs de Dawson, sans rien facturer à la CENC pour ladite ligne.

9. Combien de logements ou de locaux commerciaux du Yukon ont le chauffage électrique?

Voici les renseignements obtenus de la Commission et d'autres sources:

Logements à chauffage électrique—7; Locaux commerciaux à chauffage électrique—3.

Localité	Maisons destinées aux Indiens		Total des branchements électriques
	Construites	Raccordées au secteur	
Carcross	1	8	69
Carmacks	14	9	57
Carmacks (en construction)	2	2	—
Haines Junction	13	13	79
Watson Lake	—	36	203
Watson Lake (borne milliaire 2½)	3	3	—
Watson Lake (en construction)	1	1	—
Teslin	25	22	68
Destruction Bay	—	15	39
Burwash Landing	8	12	
Beaver Creek	2	2	25
Old Crow	6	23*	40
Upper Liard	12	8	23
Upper Liard (en construction)	3	3	—
Lower Post	8	5	8
Stewart Crossing	Néant	Néant	6
Pelly Crossing	24	22	38
Ross River	21	17	49
Keno City	Néant	Néant	45

*plusieurs autres en voie de raccordement.

(Renseignements fournis par le ministère des Affaires indiennes et du Nord canadien)

The United Keno Hill Mines business and residential quarters at Elsa, Yukon, are heated by steam produced in an electric boiler supplied from the Commission's Mayo River Hydro Plant.

10. Employment of Native Indians in NCPC operations at—
Dawson—Nil; Mayo—1; Whitehorse—Nil.

11 & 12 Attached

13. Copy attached.

POWER AGREEMENT WITH PLAINS WESTERN GAS AND ELECTRIC
(re Yellowknife, N.W.T.)

The original agreement for supply of power for distribution to consumers in the Yellowknife townsite was with the Yellowknife Power Company Limited. The Yellowknife Power Company was taken over by Plains Western Gas and Electric Company Limited in 1955.

A draft agreement was prepared in 1961 but was not executed because of certain administrative complications that had arisen in connection with the operation of a diesel standby plant that the Commission had constructed in Yellowknife. Since the intent of the draft agreement was that the Commission would supply the entire power demand of the Yellowknife area, and the cost at which power is supplied is controlled by the NCPC Act, there was no particular concern on the part of either Plains Western Gas and Electric Company or the Northern Canada Power Commission concerning the execution of a new agreement. Certain technical considerations concerning physical arrangements for transmission of power to the Plains Western Gas and Electric Company substation have been under review but difficult to resolve because of changing conditions in Yellowknife and have militated against the executing of a new agreement. The original agreement and a draft of the proposed new agreement, attached, are submitted to illustrate the basis on which power is supplied. The current rate for power supplied to Plains Western Gas and Electric Company Limited is 1.1c/kwhr for all power except that consumed by separately metered electric hot water tanks for which the rate is 1.0c/kwhr; this results in average cost to the retailing company of approximately 1.07c/kwhr.

NORTHWEST TERRITORIES POWER COMMISSION

AGREEMENT BETWEEN

NORTHWEST TERRITORIES POWER COMMISSION AND YELLOWKNIFE POWER COMPANY LIMITED

DECEMBER 31st 1951.

(AMENDING AGREEMENT DATED JUNE 1st, 1949.)

THIS AGREEMENT made in duplicate this thirty-first day of December 1951.
BETWEEN:

THE NORTHWEST TERRITORIES POWER COMMISSION, a body corporate having its main office in the City of Ottawa, in the Province of Ontario, hereinafter called "the Commission"

OF THE FIRST PART

—AND—

YELLOWKNIFE POWER COMPANY LIMITED, of Yellowknife, Northwest Territories, hereinafter called the Company"

OF THE SECOND PART

WHEREAS by agreement dated the 1st day of June 1949, (hereinafter called the "original agreement") the Commission agreed to reserve for and deliver to the Company a quantity of 8-phase electrical power from its Snare River hydro-electric power plant for a term ending the 11th day of September, 1951.

AND WHEREAS the original agreement provides that upon request of the Company the Commission will renew the original agreement for a further term of ten years ending September 11th, 1961, subject to renewal of the Commission's agreement with the Consolidated Mining and Smelting Company of Canada Limited (hereinafter called Cominco) dated the 1st day of September 1948, pertaining to the transmission of power over Cominco's transmission line for delivery to the Company.

L'hôpital de Whitehorse et ses annexes sont chauffés à temps partiel, c'est-à-dire au cours de certaines heures de la journée et pendant les mois d'été, lorsqu'il y a puissance excédentaire, par la vapeur produite dans des chaudières électriques alimentées par la centrale hydro-électrique des rapides de Whitehorse, qui appartient à la Commission.

L'entreprise *United Keno Hill Mines* et les quartiers résidentiels d'Elsa (Yukon) sont chauffés par la vapeur produite dans une chaudière électrique alimentée par la centrale hydro-électrique de la rivière Mayo, qui appartient aussi à la Commission.

10. Nombre d'Indiens employés par la CENC à:

Dawson—Néant; Mayo—1;

Whitehorse—Néant.

11 et 12—Pièces jointes.

13. Pièce jointe.

ACCORD CONCLU AVEC LA SOCIÉTÉ PLAINS WESTERN GAS AND ELECTRIC POUR LA FOURNITURE D'ÉLECTRICITÉ

(au sujet de Yellowknife (T. N.-O.))

L'accord initial en vue de la fourniture d'électricité pour distribution aux usagers du lotissement urbain de Yellowknife a été passé avec la *Yellow Knife Power Company Limited*. Toutefois, en 1955, cette dernière société a été prise en main par la *Plains Western Gas and Electric Company*.

Un projet d'accord a été établi en 1961, mais il ne s'est pas réalisé, par suite de difficultés administratives relativement à l'exploitation d'une usine diesel de secours construite par la Commission à Yellowknife. Comme la Commission s'engageait, en vertu de ce projet d'accord, à alimenter en électricité toute la région de Yellowknife, le coût d'un tel service étant régi par la Loi créant cette Commission, ni la *Plains Western Gas and Electric Company* ni la Commission en question ne se sont intéressées particulièrement à la préparation d'un nouveau projet d'accord. On a examiné certains aspects techniques relatifs aux aménagements matériels de transmission d'énergie à la sous-station de la *Plains Western Gas and Electric Company*, mais les difficultés éprouvées ont milité contre la conclusion d'un nouvel accord. Afin d'illustrer la façon dont l'électricité est fournie, on trouvera ci-jointes une copie du texte de l'accord initial, ainsi qu'une copie de l'ébauche du nouvel accord proposé. Le tarif actuel de l'énergie fournie à la *Plains Western Gas and Electric Company* s'établit à 1.1¢/kWh pour tout genre d'énergie, à l'exception de celle que consomment les réservoirs d'eau chaude mus à l'électricité et dotés de compteurs distincts, dont le tarif s'établit à 1.0c/kWh; il en résulte que le prix de revient moyen de la société distributrice est d'environ 1.07¢ kWh.

COMMISSION D'ÉNERGIE DU NORD CANADIEN

CONVENTION PASSÉE ENTRE LA COMMISSION D'ÉNERGIE DU NORD CANADIEN ET LA YELLOWKNIFE POWER COMPANY LIMITED,

LE 31 DÉCEMBRE 1951.

(ACTE DE MODIFICATION DATÉ DU 1er JUIN 1949.)

LA PRÉSENTE CONVENTION faite en double exemplaire ce 31e jour de décembre 1951

ENTRE:

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST, organisme constitué en société, ayant son siège en la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»

D'UNE PART

et

LA YELLOWKNIFE POWER COMPANY LIMITED, de Yellowknife (Territoires du Nord-Ouest), ci-après appelée «la Société»,

D'AUTRE PART

CONSIDÉRANT QUE, par une convention datée du premier jour de juin 1949 (ci-après appelée «la convention initiale»), la Commission a accepté de réserver pour la Société et de lui fournir, jusqu'au 11 septembre 1951, une quantité d'énergie électrique par courant triphasé, provenant de sa centrale hydro-électrique de la rivière Snare,

ET CONSIDÉRANT QUE, selon les dispositions de la convention initiale, la Commission renouvellera, sur demande de la Société, ladite convention pour une autre période de dix ans se terminant le 11 septembre 1981, sous réserve du renouvellement de l'accord conclu par la Commission avec la *Consolidated Mining and Smelting Company of Canada Limited*) ci-après appelée la Cominco), en date du 1er jour de septembre 1948, au sujet de la transmission d'énergie par la ligne de transmission de la Cominco, pour fins de fourniture à la Société

AND WHEREAS in the said Agreement dated the first day of September, 1948, made with Cominco, it is provided that the said Agreement, dated the first day of September 1948, shall remain in force until the end of the 11th day of September 1951 and shall continue thereafter for further periods of one year unless twelve months notice of termination is given by either party, which notice may be given so as to terminate the Agreement on the 11th day of September 1951, or on the 11th day of September 1951, or on the 11th day of September of any year thereafter.

AND WHEREAS the Company has requested an extension of the original Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Said Agreement dated the first day of June, 1949, between the Parties hereto is amended by the deletion of Paragraph 15 and by the substitution therefor of the following paragraph:

> "15. This Agreement shall continue in force until the 11th day of September 1961, subject to termination by the Commission on eleven months' notice in writing. A registered letter or prepaid telegram to such effect, addressed to the General Manager of the Company, shall be good notice under this paragraph. If notice is given to the Company on the fourth day after mailing, or, if given by telegram on the day of the despatch of the said telegram."

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

THE NORTHWEST TERRITORIES POWER COMMISSION

(sgd.) E.W. Humphrys — (sgd.) J.M. Wardle

Witness — Chairman

YELLOWKNIFE POWER COMPANY LIMITED

(sgd.) Frank J. Simington

Witness

(sgd.) S. R. Kaufman

CN Telegram
Messrs. Milner, Steer, Hyde & Co.,
Royal Bank Chambers,
Edmonton, Alberta.

The Northwest Territories Power Commission hereby consents to a deed of trust and mortgage made the first day of October nineteen fifty one between the Yellowknife Power Company Limited and others and the Montreal Trust Company as trustees in so far only as the said deed trust and mortgage constituted an assignment of an agreement between the Northwest Territories Power Commission and Yellowknife Power Company Limited dated the first day of June nineteen forty nine reserving all rights powers and remedies save only the right to forfeit the same by reason of the making of the said assignment by way of mortgage subject to the rights or interest of any third party.

J. M. Wardle,
Chairman,
Northwest Territories Power
Commission.

The above wording dictated by Mr. Mason, Departmental Solicitor and is identical to telegram dispatched by Department in regard to departmental interests.

"IS YOUR MESSAGE COMPLETE? EXTRA WORDS COST ONLY A FEW CENTS."

THIS AGREEMENT made in duplicate this first day of June, A.D. 1949.
BETWEEN:

> THE NORTHWEST TERRITORIES POWER COMMISSION, a body corporate having its head office in the City of Ottawa, in the Province of Ontario, hereinafter called "the Commission"
>
> OF THE FIRST PART.
>
> —and—
>
> YELLOWKNIFE POWER COMPANY LIMITED, of Yellowknife, Northwest Territories, hereinafter called "the Company"
>
> OF THE SECOND PART.

WHEREAS the Commission is prepared to sell power at 33,000 volts, more or less, to the Yellowknife Power Company for use under the terms of its franchise in the town of Yellowknife in the Northwest Territories, and

WHEREAS the Company desires to purchase electrical power from the Commission.

NOW THEREFORE this Agreement witnesseth;—

1. The Commission agrees to reserve for the Company a quantity of 3-phase electrical power, at a pressure of approximately 33,000 volts and a frequency of approximately 60 cycles per second, up to 400 kilovolt amperes. The Commission further agrees, that if the Company requires more than 400 kilovolt

ET CONSIDÉRANT UE ladite convention passée avec la Cominco, le premier jour de septembre 1948, prévoit que l'accord demeurera en vigueur jusqu'à la fin du 11e jour de septembre 1951 et continuera par la suite d'être valide pour des périodes d'une année à la fois, à moins que l'une des deux parties ne donne avis à l'autre, au moins douze mois d'avance, de sa décision de mettre fin à la convention, avis qui pourra être donné de façon que la convention se termine le 11e jour de septembre 1951 ou le 11e jour de septembre de toute année subséquente

ET CONSIDÉRANT QUE la Société a demandé une prolongation de la Convention initiale.

IL EST CONVENU, PAR LA PRÉSENTE CONVENTION, DE CE QUI SUIT:

1. Ladite convention, datée du 1er jour de juin 1949, passée entre les parties en présence, est modifiée par la suppression de l'alinéa 15 et son remplacement par l'alinéa suivant:

«15. La convention en question demeurera en vigueur jusqu'au 11e jour de septembre 1961, sous réserve de résiliation par la Commission, au moyen d'un avis donné par lettre, il sera réputé avoir été présent alinéa, l'avis pourra être donné par lettre recommandée ou par télégramme payé d'avance envoyé au directeur général de la Société. Si l'avis est donné par lettre, il sera réputé avoir été remis à la Société le 4e jour suivant la mise à la poste et s'il est donné par télégramme, le jour même de l'envoi dudit télégramme.

EN FOI DE QUOI les parties en présence ont signé la présente convention.

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST

(Signature) E. W. Humphrys
(Signature) J. M. Wardle
Président

YELLOWKNIFE POWER COMPANY
(Signature) Frank J. Simington
Témoin
(Signature) S. R. Kaufman

Commission d'énergie des
Territoires du Nord-Ouest
255, rue Sparks
Ottawa (Ontario)

MM. Milner, Steer, Hyde & Co.
Royal Bank Chambers
Edmonton (Alberta)

La Commission d'énergie des Territoires du Nord-Ouest approuve par les présentes l'acte de fidéicommis et d'hypothèques passé le premier jour d'octobre mille neuf cent cinquante et un, entre la *Yellowknife Power Company Limited* et autres personnes, ainsi que la *Montreal Trust Company* à titre de fidéicommissaires, dans la seule mesure toutefois où ledit acte de fidéicommis et d'hypothèque constitue une cession à l'égard d'une convention conclue entre la Commission d'énergie des Territoires du Nord-Ouest et la *Yellowknife Power Company Limited,* en date du premier jour de juin mille neuf cent quarante-neuf, laquelle réserve tout droit, pouvoir et recours, sauf le droit de perdre ces privilèges par exécution de ladite cession par voie d'hypothèque au profit d'un tiers quelconque.

Le président,
Commission d'énergie des
Territoires du Nord-Ouest
J. M. Wardle

Le texte ci-dessus a été dicté par M. Mason, chef du contentieux du Ministère, et il est semblable au télégramme envoyé par le Ministère relativement aux droits de ce même Ministère.

LA PRÉSENTE CONVENTION faite en double exemplaire ce premier jour de juin 1949

ENTRE:

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST, organisme constitué en société, ayant son siège social en la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»,

D'UNE PART

et

LA YELLOWKNIFE POWER COMPANY LIMITED, de Yellowknife, (Territoires du Nord-Ouest), ci-après appelée «la Société»,

D'AUTRE PART

CONSIDÉRANT QUE la Commission est disposée à vendre à la *Yellowknife Power Company* 33,000 volts d'énergie électrique, plus ou moins, pour utilisation en vertu des modalités de la concession qu'elle possède dans la ville de Yellowknife, dans les Territoires du Nord-Ouest,

ET CONSIDÉRANT QUE la Société désire acheter de l'énergie électrique à la Commission,

IL EST CONVENU, PAR LA PRÉSENTE CONVENTION, de ce qui suit:

1. La Commission consent à réserver à l'usage de la Société une quantité d'énergie électrique de courant triphasé, d'une tension approximative de 33,000 volts, d'une fré-

amperes from the Commission the Commission will supply such extra power as available. The supply of such extra power will be subject to the load capacity of the Consolidated Mining and Smelting Company's transmission line between its point of connection with the Snaro River power system and the points at which power is delivered to the Company.

2. Delivery of power shall be taken by the Company at the points where it is already taking power from Consolidated Mining and Smelting Company's transmission line, and at any such points as may be added.

3. Measurement of power shall be computed by the Commission from the meter records of the metering equipment installed at all points of delivery on the low tension side of the Company's step-down transformers, such metering equipment to be provided and maintained to the Commission's satisfaction at the Company's expense. The quantity of power deemed to be delivered by the Commission to the Company in any month shall be computed by deducting from the total number of kilowatt hours delivered to the Company, as indicated by meters installed at the points of delivery, the number of kilowatt hours represented by the 95 kilowatts of continuous power which the Consolidated Mining and Smelting Company Limited is entitled to deliver to the Company as set forth in the Agreement between the Company and the Consolidated Mining and Smelting Company, Limited, dated the 17th day of September 1941 A.D.

4. The Company shall pay for all power delivered to it by the Commission at the rate of two cents (2c) per kilowatt hour net as measured and computed in the manner outlined in section 3 hereof. *Payment shall be made monthly to the Commission at its office at Ottawa within 20 days after the Commission has rendered its account therefore, and cheques of the Company submitted in payment will be accepted at par.*

5. It is agreed that either the Commission or the Company may install at its own expense, check meters at any point of delivery referred to in section 2 hereof.

6. It is agreed that any metering equipment provided in accordance with section 3 hereof for the measurement of power delivered to the Company may, at the Company's instigation, or at the request of the Commission, be tested or calibrated by the proper officials of the Department of Trade and Commerce of Canada. If the test is requested by the Commission and the metering equipment is found to be accurate within the limits specified from time to time by that Department, the expense of the test shall be borne and paid for by the Commission. If any metering equipment is found to be not accurate within the limits specified by the Department of Trade and Commerce it shall be corrected or replaced forthwith by equipment that is accurate, and the expense of the test and of correcting and replacing the meter shall be borne by the Company. The Commission shall not be responsible for the expenses of any tests conducted at the Company's instigation.

7. If the error in any metering equipment exceeds the prescribed limits, the accounts for power delivered by the Commission to the Company during the three (3) calendar months preceding the test shall be corrected as necessary to compensate for the error in the metering equipment. Such correction shall be accepted by both the Company and the Commission as settlement in full to the date of the test of all claim on account of the inaccuracy of the metering equipment.

8. If at any time there is a meter not in service it will be assumed that the amount of power delivered during that period by the Commission is the same as that delivered for the same period in the same month of the previous year.

9 (a) Except when necessary for the protection of life and property, the Company shall not permit any metering equipment referred to in section 3 hereof to be disconnected, removed, replaced or reconnected, without advance notification to the Commission or the Commission's authorized representative of the intentions and reasons for such action to be taken. Such notification must be given sufficiently in advance to permit the Commission's representative to read the meter or meters before being disconnected from or connected to the associated equipment.

9 (b) If any of the metering equipment herein referred to becomes damaged from any cause, or, for the protection of life or property, is removed from service without prior notification to the Commission, the Company shall, without delay, advise the Commission in full detail of the occurrence and the Company shall not permit any meter that is a part of such metering equipment to be shipped out of

quence d'environ 60 cycles par seconde et d'une intensité pouvant atteindre 400 kilovolts-ampères. De plus, la Commission s'engage à fournir à la Société une intensité d'énergie supérieure à 400 kilovolts-ampères, si cette Société le lui demande et si elle dispose d'une telle énergie. La fourniture de cette énergie supplémentaire se fera sous réserve de la capacité de charge de la ligne de transmission de la *Consolidated Mining and Smelting Company*, entre son poste de raccord au réseau électrique de la rivière Snare et les postes où l'énergie sera fournie à la Société.

2. La Société fournira son énergie à partir des postes de la ligne de transmission de la *Consolidated Mining and Smelting Company*, qu'elle utilise déjà, ainsi que de tout poste qui pourrait être ajouté.

3. La mesure de l'électricité sera effectuée par le Commission par le relevé des compteurs faisant partie du matériel de mesurage installé à tous les postes de fourniture, et la lecture se fera du côté des transformateurs réducteurs de tension de la Société où la charge est de faible intensité, un tel matériel devant être fourni et entretenu à la satisfaction de la Commission et aux frais de ladite Société. La quantité d'énergie réputée avoir été fournie à la Société par la Commission, au cours de tout mois donné, sera calculée en déduisant du nombre global de kilowatts-heures fournis à la Société, comme il apparaîtra aux compteurs installés aux divers postes d'alimentation, le nombre de kilowatts-heures assuré par les 95 kilowatts de pouvoir continue que la *Consolidated Mining and Smelting Company* est autorisée à fournir à la Société, comme il est établi dans la convention conclue entre la Société et la *Consolidated Mining and Smelting Company, Limited*, datée du 17e jour de septembre 1941.

4. La Société paiera un taux net de deux cents (2c.) par kilowatt-heure de tout genre d'énergie qui lui sera fournie par la Commission, cette énergie étant mesurée et évaluée de la façon énoncée à l'article 3 des présentes. *Remarque—Les paiements seront faits à la Commission, tous les mois, à son bureau d'Ottawa, dans les 30 jours suivant la réception du compte pertinent de ladite Commission, les chèques de la Société étant acceptés au pair.*

5. Il est convenu que soit la Commission soit la Société pourront installer, à leur propres frais, des compteurs de contrôle à tout poste de service dont il est question à l'article 2 des présentes.

6. Il est convenu que tout matériel de mesurage fourni conformément à l'article 3 des présentes, à l'égard de l'énergie fournie à la Société, pourra, à l'instigation de la Société ou sur la demande de la Commission, être vérifié ou étalonné par les fonctionnaires appropriés du ministère du Commerce. Si l'examen de contrôle est demandé par la Commission et que l'on constate que le matériel de mesurage répond aux conditions spécifiées de temps à autre par le même Ministère, la Commission assumera les frais de son exécution. Si une partie quelconque de ce matériel ne répond pas à ces conditions, elle devra être corrigée ou remplacée immédiatement par du matériel précis, le coût de l'examen de contrôle, de la correction ou du remplacement devant être assumé par la Société. La Commission ne sera aucunement responsable à l'égard des frais occasionnés pour toute vérification effectuée à l'instigation de la Société.

7. Lorsqu'une erreur enregistrée par le matériel de mesurage dépasse les limites spécifiées, les comptes de l'électricité fournie à la Société par la Commission, au cours des trois (3) mois de l'année civile précédant l'examen de contrôle, devront être rectifiés en conséquence en guise de dédommagement pour cette erreur. Une telle rectification devra être considérée, tant par la Société que par la Commission, comme un règlement global jusqu'à la date de l'examen de contrôle et, partant, comme une renonciation à toute réclamation pour cause d'inexactitude du matériel de mesurage.

8. Si, à tout moment donné, un compteur ne fonctionne pas, on supposera que la quantité d'électricité que la Commission a fournie au cours de cette période est la même que celle qu'elle a fournie au cours de la même période, pendant le même mois, au cours de l'année précédente.

9a) Sauf lorsque la protection de la vie et de la propriété le justifie, la Société ne permettra pas que le matériel de comptage mentionné dans l'article 3 du présent document soit débranché, retiré, réinstallé ou rebranché sans que l'on ait d'abord prévenu la société ou le représentant autorisé de la Société des raisons qui justifient de telles mesures. Il faut avertir assez longtemps à l'avance pour permettre au représentant de la Commission de prendre le relevé du compteur ou des compteurs avant qu'on les sépare du matériel associé ou qu'on les y branche.

9b) S'il arrivait sans que la Commission ait été d'abord prévenue, que le matériel de comptage susmentionné soit endommagé ou qu'il soit mis hors de service pour une raison ou l'autre, ou lorsque la protection de la vie et de la propriété entrent en jeu, la Société prendra les mesures suivantes. Elle fera part sans délai de tous les détails à la Commission, et la Société ne permettra pas

Yellowknife or to be disposed of in any manner without first arranging for the Commission's representative to examine the meter for the purpose of recording the meter reading.

10. The Company agrees with the Commission that the Company will so regulate the load imposed on the Commission's power system that the power factor of the load will not be less than 85%; and that if the power factor falls below 85% and the Commission requests the Company to correct the same the Company will forthwith make the required correction; and that the Company will operate its electrical equipment, machinery, plant and works safely and properly and carry on its operations in a manner which will cause no undue disturbance to the Commission's power system.

11. The Company agrees with the Commission that the Company will not connect any motor or other electrical apparatus which uses power in excess of 10 H.P. to any transmission line or other part of the Company's distribution system without first notifying the Commission in writing.

12. The Company agrees with the Commission that at all reasonable times during the term of this agreement the Company will allow the Commission's employees or agents appointed for the purpose to enter in and upon the Company's buildings and premises for the purpose of inspecting the Company's electrical equipment, machinery, plant and works, and of reading the meters referred to in section 3 hereof.

13(a) The Commission shall exercise all diligence and care to deliver power without interruptions, but nevertheless, the Commission will not be liable for any loss or damage which may result from any interruptions whatsoever in the delivery thereof.

13(b) If at any time the delivery of power is interrupted by any cause reasonably beyond the Commission's control including (but without limiting the generality thereof) strike, lockout, riot, fire, explosion, the elements, insurrection, civil commotion, invasion, the King's enemies, Act of God, or any law or regulation affecting the delivery of power, then the Commission shall not be bound to deliver power during the interruption. In any such case the Commission shall be prompt and diligent in restoring the delivery of power and the Company shall take and pay for the same as provided for in this Agreement.

13(c) The Commission shall have the right at all reasonable times, giving notice to the Company whenever possible, to discontinue the supply of power to the Company to the extent deemed necessary by the Commission for the purpose of safeguarding life or property or for the purpose of the operation, maintenance, replacement, or extension of the Commission's apparatus, equipment, or works, but all such interruptions shall be of the shortest possible duration and, when possible, shall be arranged for at a time least objectionable to the Company.

14. The liability of the Commission shall cease at the points of delivery as defined in paragraph 2 and the Company shall save the Commission harmless from and indemnify the Commission against all claims, demands, actions and suits for damage to property or injury to persons arising out of or in connection with the construction, maintenance or operation of the Company's transmission lines or distribution system.

15. The terms of this agreement shall be effective with the completion of the Commission's power line, and associated installations, connecting the Commission's Snare River Power System to the Consolidated Mining and Smelting Company's transmission line extending from Bluefish Lake through the town of Yellowknife, and shall terminate on the 11th day of September 1951; provided that, on the Company's request and subject to the renewal of the Commission's agreement with the Consolidated Mining and Smelting Company as applying to the transmission of power over the Consolidated Mining and Smelting Company's transmission line which expires on September 11th, 1951, the Commission will renew this agreement on the same terms as stated herein to September 11th, 1961.

16. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents.

THE NORTHWEST TERRITORIES POWER COMMISSION

Witness
Marion E. Hay

Jim Wardle
Chairman

YELLOWKNIFE POWER COMPANY LIMITED

G. McNeill
Managing Director

Witness

J. R. Turner
Secretary

qu'aucun compteur faisant partie du matériel de comptage soit expédié à Yellowknife ou écoulé de quelque façon que ce soit sans avoir pris des dispositions pour qu'un représentant de la Commission examine le compteur et en prenne le relevé.

10. La Société convient avec la Commission que la Société réglementera la charge imposée au réseau d'énergie de la Commission, afin que le facteur de puissance de la charge ne soit pas inférieur à 85 p. 100. Advenant que le facteur de puissance soit inférieur à 85 p. 100, si la Commission demande à la Société de corriger la situation, la société agira en conséquence. La Société exploitera son matériel électrique, les machines, l'usine et les travaux d'une façon sûre, l'exploitation devant se faire de manière à ne nuire aucunement au réseau d'énergie de la Commission.

11. La Société convient avec la Commission que la Société ne branchera aucun moteur ou autre appareil électrique utilisant plus de 10 HP à une ligne de transmission ou à tout autre secteur du réseau de distribution de la Société, sans avoir d'abord prévenu la Commission par écrit.

12. La Société convient avec la Commission qu'en temps opportun pendant la durée de cette entente, la société permettra aux employés de la Commission, ou aux agents nommés à cette fin, de pénéter dans les bâtiments de la Société en vue d'inspecter le matériel électrique de la société, les machines l'usine et les travaux et afin de prendre le relevé des compteurs mentionnés dans l'article 3 du présent documemnt.

13a) La Commission prendra toutes les précautions voulues pour fournir l'électricité sans interruptions. Néanmoins, la Commission ne se porte pas responsable des pertes ou des dommages pouvant résulter des interruptions.

13b) S'il advenait que l'électricité soit coupée à la suite d'événements échappant au pouvoir de la Commission, y compris (mais sans en limiter le caractère général) les grèves, les lock-out, les émeutes, les incendies, l'explosion, les éléments, les insurrections, l'agitation civile, les invasions, les ennemis du Roi, un cas de force majeure, ou toute loi ou règlement ayant des répercussions sur la distribution de l'électricité, la Commission ne sera pas tenue de fournir l'électricité pendant l'interruption. Dans tout cas de ce genre, la Commission s'empressera de rétablir le courant et la Société payera les services, comme le prévoit la présente entente.

13c). La Commission aura le droit, en temps opportun, autant que possible après avoir prévenu la Société, de cesser la distribution de l'énergie à la Société pour une période jugée nécessaire par la Commission à des fins de protection de la vie ou de la propriété ou à des fins d'exploitation, d'entretien, de remplacement ou d'accroissement des appareils, du matériel ou des travaux de la Commission. Ces interruptions seront toutefois aussi brèves que possible et elles seront normalement prévues à des moments qui conviennent le mieux à la Société.

14. La responsabilité de la Commission cessera aux points de distribution, comme le définit l'article 2, et la Société garantira la Commission contre toutes les réclamations, exigences, actions et poursuites en justice résultant de dommages faits à la propriété ou de blessures corporelles subies lors de la construction, de l'entretien ou de l'exploitation des lignes de transmission de la Société ou du réseau de distribution.

15. Les conditions de la présente entente entreront en vigueur lorsqu'on aura achevé l'érection de la ligne d'énergie de la Commission, ainsi que les installations connexes reliant le réseau de distribution d'énergie de la rivière Snare, appartenant à la Commission, à la ligne de transmission de la *Consolidated Mining and Smelting Company*, qui va du lac Bluefish jusqu'à la ville de Yellowknife. Ces conditions cesseront d'exister le 11e jour du mois de septembre 1951; sauf si, à la demande de la Société et grâce au renouvellement de l'entente de la Commission avec la *Consolidated Mining and Smelting Company* relativement à la transmission de l'énergie sur la ligne de transmission de la *Consolidated Mining and Smelting Company* qui expire le 11e jour de septembre 1951, la Commission renouvelle la présente entente, aux conditions mentionnées dans le présent document, pour une période se terminant le 11 jour de septembre 1961.

16. La présente entente entrera en vigueur à l'avantage des parties mentionnées et les liera, de même que leurs successeurs et mandataires respectifs.

Les parties ont signé les présentes devant témoins.

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST

Témoin
Marion E. Hay

Président
Jim Wardly

LA COMMISSION D'ÉNERGIE DE YELLOWKNIFE

Directeur
G. McNeill

Témoin

Secrétaire
J. R. Turner

THIS AGREEMENT made in duplicate this day of September A. D. 1961.

BETWEEN:

THE NORTHERN CANADA POWER COMMISSION, a body corporate having its head office, in the City of Ottawa in the Province of Ontario, hereinafter called "the Commission"

OF THE FIRST PART

—and—

PLAINS WESTERN GAS AND ELECTRIC COMPANY LIMITED, having its head office in the City of Edmonton in the Province of Alberta, hereinafter called "the Company"

OF THE SECOND PART

WHEREAS the Commission is prepared to sell electrical power at 34,500 volts, more or less, to the Plains Western Gas and Electric Company Limited for use under the terms of its franchise in the town of Yellowknife in the Northwest Territories, and

WHEREAS the Company desires to purchase electrical power from the Commission.

NOW THEREFORE this Agreement witnesseth:

1. The Commission agrees to reserve for the Company a quantity of 3-phase electrical power, at approximately 34,500 volts and a frequency of approximately 60 cycles per second, up to 2000 kilovolt amperes. The Commission further agrees, that if the Company requires more than 2000 kilovolt amperes from the Commission the Commission will supply such extra power as available. The supply of such extra power will be subject to the load capacity of the transmission line used for delivering power to the Company.

2. Delivery of power shall be taken by the Company at existing points of delivery and any other such points as may be approved by the Commission.

3. Measurement of power shall be computed by the Commission from the meter records of the metering equipment installed at all points of delivery on the low tension side of the Company's step-down transformers, such metering equipment to be provided and maintained to the Commission's satisfaction at the Company's expense. The quantity of power deemed to be delivered by the Commission to the Company in any month shall be computed by deducting the total number of kilowatt hours represented by the 95 kilowatts of continuous power which the Consolidated Mining and Smelting Company Limited presently delivers to the Company.

4. The Company shall pay for all power delivered to it by the Commission at the rate of two cents (2¢) per kilowatt hour net as measured and computed in the manner outlined in Section 3 hereof. Payment shall be made monthly to the Commission at its office at Ottawa within 30 days after the Commission has rendered its account thereof, and cheques of the Company submitted in payment will be accepted at par.

5. It is agreed that either the Commission or the Company may install at its own expense, check meters at any point of delivery referred to in Section 2 hereof.

6. It is agreed that any metering equipment provided in accordance with Section 3 hereof for the measurement of power delivered to the Company may, at the Company's instigation, or at the request of the Commission, be tested or calibrated by the proper officials of the Department of Trade and Commerce of Canada. If the test is requested by the Commission and the metering equipment is found to be accurate within the limits specified from time to time by that Department, the expense of the test shall be borne and paid for by the Commission. If any metering equipment is found to be not accurate within the limits specified by the Department of Trade and Commerce it shall be corrected or replaced forthwith by equipment that is accurate, and the expense of the test and of correcting and replacing the meter shall be borne by the Company. The Commission shall not be responsible for the expenses of any tests conducted at the Company's instigation.

7. If the error in any metering equipment exceeds the prescribed limits, the accounts for power delivered by the Commission to the Company during the three (3) calendar months preceding the test shall be corrected as necessary to compensate for the error in the metering equipment. Such correction shall be accepted by both the Company and the Commission as settlement in full to the date of the test of all claim on account of the inaccuracy of the metering equipment.

8. If at any time there is a meter not in service it will be assumed that the amount of power delivered during that period by the Commission is the same as that delivered for the same period in the same month of the previous year multiplied by a factor determined by comparing the previous three months consumption of the previous and current year.

CETTE ENTENTE faite en double ce jour de septembre 1961

ENTRE

LA COMMISSION D'ÉNERGIE DU NORD CANADIEN société constituée dont le bureau principal est situé dans la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»

D'UNE PART

— et —

PLAINS WESTERN GAS AND ELECTRIC COMPANY, LIMITED dont le siège social est situé dans la ville d'Edmonton, dans la province d'Alberta, ci-après appelée «la Société»

D'AUTRE PART

VU que la Commission est disposée à vendre 34,500 volts d'électricité, plus ou moins, à la *Plains Western Gas and Electric Company, Limited*, qui s'en servira en vertu de son droit de cité dans la ville de Yellowknife, dans les Territoires du Nord-Ouest, et

VU que la Société désire acquérir l'énergie électrique de la Commission.

Il est convenu, par la présente entente, de ce qui suit:

1. La Commission consent à réserver pour le compte de la Société une quantité d'électricité en courant triphasé d'environ 34,500 volts et d'une fréquence d'environ 60 cycles par seconde, avec un ampérage pouvant atteindre 2000 kilovolts. La Commission accepte en outre de fournir à la Société, si celle-ci en a besoin et si la Commission peut le faire, une quantité d'énergie supérieure à 2000 kilovolts-ampères. La distribution de cette énergie supplémentaire dépendra de la charge utile de la ligne de transmission qui sert à fournir l'énergie à la Société.

2. La Société recevra l'électricité à des points de distribution déjà existants et à tout autre point que la Commission aura approuvé.

3. La Commission mesurera l'électricité au moyen de compteurs installés à tous les points de distribution, d'après le fonctionnement à basse tension des transformateurs réducteurs de la Société. Les compteurs seront fournis et entretenus selon les normes de la Commission, aux frais de la Société. La quantité d'énergie qui devrait être distribuée par la Commission à la Société pendant un mois quelconque sera calculée en déduisant le nombre total de kilowatt-heures auquel équivalent les 95 kilowatts de courant continu que la *Consolidated Mining and Smelting Company Limited* distribue présentement à la Société.

4. La Société payera toute l'électricité qui lui est distribuée par la Commission au taux de deux (2) cents le kilowatt-heure net, suivant le mode de mesurage et de calcul exposé dans l'article 3 du présent document. Les paiements seront versés mensuellement à la Commission, à son bureau d'Ottawa, 30 jours après que la Commission aura présenté son compte. Les chèques soumis en paiement par la Société seront acceptés au pair.

5. Il est convenu que la Commission ou la Société peuvent installer à leurs propres frais des compteurs de vérification à n'importe quel point de distribution mentionné dans l'article 2 du présent document.

6. Il est convenu que tout le matériel de comptage fourni, aux termes de l'article 3 du présent document, en vue de mesurer l'électricité fournie à la société, peut, à l'instigation de la Société ou à la demande de la Commission, être vérifié ou mesuré par des représentants compétents du ministère fédéral du Commerce. Advenant que la vérification soit demandée par la Commission, dans les limites mentionnées de temps à autres par le Ministère, la Commission veillera à payer les dépenses de vérification si le matériel de comptage donne un mesurage exact. S'il arrivait que le matériel de comptage ne mesure pas avec exactitude, compte tenu des limites stipulées par le ministère du Commerce, le matériel sera réparé ou remplacé sans délai par un matériel qui puisse mesurer avec exactitude, les dépenses de vérification ainsi que celles de la correction et du remplacement, étant alors payées par la Société. La Commission ne payera aucune dépense occasionnée par des vérifications effectuées à la demande de la Société.

7. Si l'erreur due au matériel de comptage excède les limites prescrites, les comptes relatifs à l'électricité fournie à la Société par la Commission pendant les trois (3) mois de calendrier précédant la vérification seront rectifiés de façon à compenser l'erreur due au matériel de comptage. Les rectifications de ce genre seront acceptées tant par la Société que par la Commission comme règlement de tout compte jusqu'à la date de vérification pour toute réclamation découlant de l'inexactitude du matériel de comptage.

8. Si, à un moment quelconque, un compteur n'est pas en service, on présumera que la quantité d'électricité fournie par la Commission pendant cette période est égale à celle qui a été fournie pendant la même période de l'année précédente, multipliée par un facteur établi en comparant la consommation des trois mois précédents de l'année précédente avec les trois mois précédents de l'année en cours.

9(a) Except when necessary for the protection of life and property, the Company shall not permit any metering equipment referred to in section 3 hereof to be disconnected, removed, replaced or reconnected, without advance notification to the Commission or the Commission's authorized representative of the intentions and reasons for such action to be taken. Such notification must be given sufficiently in advance to permit the Commission's representative to read the meter or meters before being disconnected from or connected to the associated equipment.

9(b) If any of the metering equipment herein referred to becomes damaged from any cause, or, for the protection of life or property, is removed from service without prior notification to the Commission, the Company shall, without delay, advise the Commission in full detail of the occurrence and the Company shall not permit any meter that is a part of such metering equipment to be shipped out of Yellowknife or to be disposed of in any manner without first arranging for the Commission's representative to examine the meter for the purpose of recording the meter reading.

10. The Company agrees with the Commission that the Company will so regulate the load imposed on the Commission's power system that the power factor of the load will not be less than 85%; and that if the power factor falls below 85% and the Commission requests the Company to correct the same the Company will forthwith make the required correction; and that the Company will operate its electrical equipment, machinery, plant and works safely and properly and carry on its operations in a manner which will cause no undue disturbance to the Commission's power system.

11. The Company agrees with the Commission that the Company will not connect any motor or other electrical apparatus which uses power in excess of 10 H.P. to any transmission line or other part of the Company's distribution system without first notifying the Commission in writing.

12. The Company agrees with the Commission that at all reasonable times during the term of this agreement the Company will allow the Commission's employees or agents appointed for the purpose to enter in and upon the Company's electrical equipment, machinery, plant and works, and of reading the meters referred to in section 3 hereof.

13(a) The Commission shall exercise all diligence and care to deliver power without interruptions, but nevertheless, the Commission will not be liable for any loss or damage which may result from any interruptions whatsoever in the delivery thereof.

13(b) If at any time the delivery of power is interrupted by any cause reasonably beyond the Commission's control including (but without limiting the generality thereof) strike, lockout, riot, fire, explosion, the elements, insurrection, civil commotion, invasion, the Queen's enemies, Act of God, or any law or regulation affecting the delivery of power, then the Commission shall not be bound to deliver power during the interruption. In any such case the Commission shall be prompt and dilegent in restoring the delivery of power and the Company shall take and pay for the same as provided for in this Agreement.

13(c) The Commission shall have the right at all reasonable times, giving notice to the Company whenever possible, to discontinue the supply of power to the Company to the extent deemed necessary by the Commission for the purpose of safeguarding life or property or for the purpose of the operation, maintenance, replacement, or extension of the Commission's apparatus, equipment, or works, but all such interruptions shall be of the shortest possible duration and, when possible, shall be arranged for at a time least objectionable to the Company.

14. The liability of the Commission shall cease at the points of delivery as defined in paragraph 2 and the Company shall save the Commission harmless from and indemnify the Commission against all claims, demands, actions and suits for damage to property or injury to persons arising out of or in connection with the construction, maintenance or operation of the Company's transmission lines or distribution system.

15. The Commission is possessed of a standby diesel electric generating station located adjacent to the Company's No. 2 substation and is situated on the Company's leased land in the Municipal District of Yellowknife. The Company agrees to pay the costs of insurance coverage for fire and extended coverage valued at one hundred thousand dollars ($100,000.00) labour and supplies, fuel, lubricating oil, etc. and general day to day running maintenance.

9a) Sauf lorsque la protection de la vie ou de la propriété le justifie, la Société ne permettra pas que le matériel de comptage mentionné dans l'article 3 du présent document soit débranché, retiré, remplacé ou rebranché sans que l'on n'ait d'abord prévenu la Commission, ou le représentant autorisé de la Commission, des raisons qui ont entraîné de telles mesures. Les avis doivent être donnés assez à l'avance, afin que le représentant de la Commission puisse prendre le relevé du compteur ou des compteurs avant que ceux-ci ne soient débranchés du matériel associé ou qu'ils y soient branchés.

9b) Si quelque partie du matériel de comptage mentionné dans le présent document subit des dommages pour une raison ou pour une autre, ou si une partie du matériel est retirée à des fins de protection de la vie ou de la santé, sans que la Commission ait d'abord été prévenue, la Société devra avertir sans délai la Commission en donnant tous les détails requis. La Société ne permettra pas qu'un compteur faisant partie du matériel de comptage soit expédié à l'extérieur de Yellowknife ou soit écoulé de quelque façon que ce soit, sans qu'on ait d'abord permis au représentant de la Commission d'examiner le compteur afin d'en prendre le relevé.

10. La Société convient avec la Commission que la Société réglementera la charge imposée au réseau d'énergie de la Commission, de sorte que le facteur de puissance de la charge ne soit pas inférieur à 85 p. 100; et si, advenant que le facteur de puissance devienne inférieur à 85 p. 100, la Commission demande à la Société de remédier à la situation, la Société effectuera immédiatement la rectification requise; la Société exploitera le matériel électrique, les machines, l'usine et veillera aux travaux de façon à assurer la sécurité de tous et à ne pas déranger inutilement le réseau d'énergie de la Commission.

11. La Société convient avec la Commission que la Société ne branchera aucun moteur ou autre appareil électrique utilisant plus de 10 HP à une autre ligne de transmission ou à tout autre secteur du réseau de distribution de la Société sans avoir d'abord prévenu la Commission par écrit.

12. La Société convient avec la Commission que, pendant la durée de cette entente, la Société permettra aux employés ou aux agents de la Commission désignés à cette fin de pénétrer, en temps opportun, dans les bâtiments de la Société, afin d'inspecter le matériel électrique de la Société, les machines, l'usine et les travaux, et pour prendre le relevé des compteurs qui sont mentionnés dans l'article 3 du présent document.

13a) La Commission prendra toutes les précautions possibles afin de fournir l'électricité sans interruption. Néanmoins, la Commission ne se porte pas responsable des pertes ou des dommages qui pourraient résulter des interruptions.

13b) S'il advenait que l'électricité soit coupée à la suite d'événements échappant au pouvoir de la Commission, y compris (mais sans en limiter le caractère général) les grèves, les lock-out, les émeutes, les incendies, les explosions, les éléments, les insurrections, l'agitation civile, les invasions, les ennemis de la Reine, un cas de force majeure, ou toute Loi ou règlement ayant des répercussions sur la distribution de l'électricité, la Commission ne sera pas tenue de fournir l'électricité pendant l'interruption. Dans tout cas de ce genre, la Commission s'empressera de rétablir le courant et la Société continuera à payer pour les services fournis, comme le prévoit la présente entente.

13c) La Commission aura le droit, en temps opportun et autant que possible, après avoir prévenu la Société, de cesser la distribution de l'électricité à la Société dans la mesure où la Commission le juge nécessaire à des fins de protection de la vie ou de la propriété, ou à des fins d'exploitation, d'entretien, de remplacement, ou lorsqu'il s'agit soit d'augmenter l'importance des appareils et du matériel, soit d'intensifier les travaux de la Commission. Toutefois, toutes ces interruptions seront aussi brèves que possible et elles seront prévues à des moments qui conviennent le mieux à la Société.

14. La responsabilité de la Commission cessera aux points de distribution définis dans l'article 2, et la Société garantira la Commission contre toutes les réclamations, exigences, actions et poursuites en justice résultant de dommages faits à la propriété ou de blessures corporelles subies lors de la construction, de l'entretien ou de l'exploitation des lignes de transmission de la Société ou du réseau de distribution.

15. La Commission possède une centrale électrique diesel supplémentaire adjacente à la sous-station n° 2 de la Société et située sur des terres louées par la Société dans le district municipal de Yellowknife. La Société accepte de payer les frais d'assurance-incendie et les frais de protection supplémentaire s'élevant à cent mille dollars ($100,000), couvrant les travaux et les fournitures, le combustible, les lubrifiants et le reste, ainsi que les frais généraux d'entretien et d'exploitation.

16. The terms of this agreement shall be effective on the 11th day of September 1961 for a period of one year. With the consent of both parties this agreement may be renewed annually until the 10th day of September 1971.

17. This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS HEREOF the parties hereto have executed these presents.

THE NORTHERN CANADA POWER COMMISSION

Chairman

Witness

PLAINS WESTERN GAS & ELECTRIC COMPANY LIMITED

Witness

COMPARISON OF NORTHERN CANADA POWER COMMISSION AND INVESTOR OWNED UTILITY POWER RATES IN NORTHWEST TERRITORIES AND YUKON TERRITORY

Tables 1 and 2 (copies attached) compare fuel costs and power rates applicable to a number of small (under 800,000 kwhrs/annum) investor owned diesel plants in Northern Alberta (2) and the Yukon (4) with the Northern Canada Power Commission operation at Fort Resolution, N.W.T.

The figures quoted in Table 1 are not disputed but the monthly bills for various amounts of power at Fort Resolution are in error to the extent that the prompt payment discount has not been correctly computed. The correct charges are shown on the attached copy of Table 2.

The comparison per Table 1 is meaningful only to the extent that it indicates that the cost of fuel per kilowatt hour generated is, with one exception (Wabassa, Alberta—1.34) of the same order (2.0 to 2.4c./kwhr) at six of the sites mentioned. Hoever, the cost of fuel is not the most important cost element in the operation of an individual diesel plant. Because the Commission does not have access to the detailed cost breakdown of the investor owned utilities it can only submit a breakdown with respect to its own operation at Fort Resolution, which for the year 1965-66 was as follows:

Cost Element	Total	Per KWHR Sold
Employee wages and accommodation	$26,756	5.0¢/kwhr
Fuel	11,389	2.2
Capital Charges	8,617	1.6
Equipment Maintenance	2,307	.4
Miscellaneous	3,306	.6
	$52,330	9.8¢
Administration, Supervision and General Overhead	4,150	.77
	$56,480	10.57¢/kwhr
Surplus	5,178	.96
	$61,658	11.53¢/kwhr

The above illustrates that the largest cost factor of the Fort Resolution operation is that relating to operating staff. The surplus of $5,178 represented nearly 1c./kwhr sold, but in the light of escalating costs, it was not considered sufficient to permit a rate reduction at that time—subsequent events have shown this to be correct.

In comparing the costs, and hence the rates, of the Fort Resolution operation with those of the other communities listed in these two tables, it must be recognized that Fort Resolution is a very isolated community which, until recently, was accessible only twice (sometimes only once) per week via scheduled air service and water transport. In consequence of self-sufficient full time staff of 3 has been maintained, this being the minimum that is considered compatible with the modern concept (and Federal government practice) of a 40 hour work week.

All of the six investor owned utility plants listed, except Ft. Chipewugan are accessible by year round road transport which should make for lower operating costs as compared with Fort Resolution, in that personnel can be moved to a plant for maintenance work and operator relief more readily and at lower cost.

Comparison of the charges for domestic power shows that the Fort Resolution volume or "run out" rate of 5c./kwhr is less than in the 6 investor owned localities, consequently

16. Les conditions de cette entente entreront en vigueur le 11e jour de 1961 pour une période d'un an. Moyennant le consentement des deux parties, l'entente pourra être renouvelée chaque année jusqu'au 10e jour de septembre 1971.

17. La présente entente sera à l'avantage des parties et les liera, ainsi que leurs successeurs et mandataires respectifs.

Les parties ont signé les présentes devant témoins.

LA COMMISSION D'ÉNERGIE DU NORD CANADIEN

Témoin

Président

PLAINS WESTERN GAS & ELECTRIC COMPANY LIMITED

COMPARAISON DES TARIFS APPLIQUÉS PAR LA COMMISSION D'ÉNERGIE DU NORD CANADIEN ET PAR LES PRODUCTEURS PRIVÉS POUR LA FOURNITURE DE COURANT AU YUKON ET DANS LES TERRITOIRES DU NORD-OUEST.

Les tableaux 1 et 2 (pièces jointes) comparent les frais de combustible et les tarifs d'un certain nombre de petites centrales diesel, qui produisent moins de 800,000 kWh par année, et qui appartiennent à des producteurs privés, dans le nord de l'Alberta (2) et au Yukon (4), et ceux de la Commission d'énergie du Nord canadien, à Fort-Resolution (T. N.-O.).

Les chiffres du tableau 1 ne sont pas contestés, mais la facturation mensuelle des différentes quantités d'énergie fournis à Fort-Resolution est erronée, en ce sens que la remise accordée pour règlement rapide n'a pas été correctement calculée. La facturation exacte figure au tableau 2 (pièce jointe).

La comparaison du tableau 1 n'est significative que dans la mesure où elle indique que le coût du combustible par kWh fourni est du même ordre dans six des localités mentionnées, c'est-à-dire de 2 à 2.4c. par kWh, sauf à Wabasca (Alb.), où il est de 1.34c. Le coût du combustible n'est cependant pas l'élément le plus important des frais d'exploitation d'une centrale diesel. Du fait que la Commission n'a pas accès à la ventilation détaillée d'exploitation des centrales privées, le seul relevé qu'elle peut présenter est celui de ses frais d'exploitation de Fort-Resolution, qui s'établit comme suit pour l'année 1965-1966:

Poste	Total	par kWh vendu
Salaire et logement des employés	$26,756	5.0c./kWh
Combustible	11,389	2.2
Frais d'établissement	8,617	1.6
Entretien du matériel	2,307	.4
Divers	3,306	.6
	$52,330	9.8c.
Administration, surveillance et frais généraux	4,150	.77
	$56,480	10.57c./kWh
Excédent	5,178	.96
	$61,658	11.53c./kWh

On voit ainsi que le poste le plus onéreux est celui qui concerne le personnel d'exploitation. L'excédent de $5,178 correspond à presque 1c. par kWh vendu, mais, compte tenu de la hausse des prix de revient, il n'a pas été à l'époque jugé suffisant pour justifier une réduction des tarifs. Les faits ont par la suite confirmé ce jugement.

En comparant les coûts et les tarifs de Fort-Resolution avec ceux des autres localités énumérées dans les deux tableaux, on ne doit pas oublier que cette localité est très isolée et que, tout récemment encore, elle n'était accessible que deux fois, parfois même une seule fois, par semaine, par un service régulier aérien ou fluvial. En conséquence, on a mis en place un personnel autonome de trois employés à plein temps, soit le minimum compatible avec le principe moderne, appliqué par le gouvernement fédéral, de la semaine de 40 heures.

Les six autres centrales privées énumérées, à l'exception de celle de Fort-Chipewagan, sont accessibles toute l'année par voie terrestre, ce qui devrait permettre des frais d'exploitation inférieurs à ceux de Fort-Resolution, du fait que le personnel peut être transporté à une centrale pour y effectuer des travaux d'entretien et assurer la rélève plus rapidement et à moins de frais.

La comparaison des prix de vente de l'électricité domestique montre que le tarif global de 5c. du kWh à Fort-Resolution est moindre que dans les six localités à centrales privées.

domestic consumption in excess of 300 kwhrs per month costs less at Ft. Resolution than it does at the investor owned localities. In regard to the commercial service the indicated charge of $128.40 for 800 kwhrs at Fort Resolution is incorrect; the correct figure is $120.50. However, the Fort Resolution commercial rates are higher than the investor owned rates in these small communities, due to the fact that it is considered appropriate under "the ability to pay" principle (common throughout the utility industry) that commercial rates be not at a higher level than the rates for domestic service.

In the case of small communities such as those listed in Table 1, the amount of power being produced has a major bearing on the rates per kwhr. Fixed costs that are to a large extent independent of the amount of power produced tend to be higher in the more isolated communities because of cost of transportation, lack of private housing and restricted commercial activity. Hence only modest increase in consumption of power has a minor affect on the total costs but produces a significant reduction in the unit cost. Thus, in the case of Fort Resolution if power sales were to increase by 100,000 kwhrs per annum costs would increase by only $2,200 but overall average cost would drop from 10.57c/kwhr to 9.2c/kwhr.

Since the Commission does not have access to the detailed cost of the investor owned utilities it cannot make any observation as to the extent that the small investor owned operations contribute to the general overhead and supervisory services that are provided by the parent company, which represents approximately ¾c/kwhr in the Commission's Fort Resolution operation.

COMPARISON OF POWER RATES IN WHITEHORSE—YELLOWKNIFE—HAY RIVER WITH NCPC RATES IN FORT SMITH AND FORT SIMPSON

Tables 3 and 4 (copies attached) correctly tabulate the power rates and cost of various amounts of power in three communities served by investor owned utilities, Whitehorse, Yellowknife and Hay River, and in two communities supplied by the NCPC, namely Fort Smith and Fort Simpson.

In the case of Whitehorse and Yellowknife, the NCPC supplies hydro power on a wholesale basis to the investor owned utilities that distribute power in these localities, viz., Yukon Electrical Company Limited in the case of Whitehorse, and Plains Western Gas and Electric Company in Yellowknife. Plains Western Gas and Electric Company has no generating facilities in the Yellowknife area. Approximately 10% of the load (KW) and 15% of the electric energy (KWRRS) consumed in the Whitehorse area is supplied by two small hydro plants owned by the Yukon Hydro Company Limited, a sister company of Yukon Electrical Company Limited. Both Yukon Electrical and Yukon Hydro are wholly owned subsidiaries of the large Alberta based electrical utility company, Canadian Utilities Limited (Head Office Edmonton) which in turn is approximately 72% controlled by International Utilities Limited. Hay River, N.W.T., is supplied by Northland Utilities Limited who also supply a number of locations in northern Alberta; this company is a wholly owned subsidiary of International Utilities Limited and is managed by Canadian Utilities Limited, Edmonton.

The figures shown in these two tables are correct, but it is quite invalid to conclude from comparison of the rates and charges at those 5 locations, that investor owned utilities provide service at lower cost than the NCPC. The mere comparison of rate schedules can be very misleading because of the very large differences in amount of power being distributed at the different localities and in the basic cost as between hydro and diesel supply.

Yellowknife and Whitehorse are comparatively large urban centres each having several hundred more consumers than there are in the two communities where the NCPC distributes power, viz., Fort Simpson and Fort Smith. Hay River and Fort Simpson are the only two of the five locations listed that are supplied by diesel generation, the other three (Yellowknife, Whitehorse and Fort Smith) being supplied by hydro power.

To illustrate the comparative size of these 5 utility operations the number of domestic consumers in each locality is of the following order of magnitude:

Whitehorse—2150; Yellowknife—1000; Fort Smith—450; Hay River—375; Fort Simpson—125.

Power costs at Fort Smith as shown in Table 4 can only be compared with Yellowknife and Whitehorse since those three communities are supplied with hydro power, but Fort Smith is a very much smaller operation in respect to number of consumers and the amount of power (kwhrs per annum) distributed. However, despite the all important difference in the amount of power distributed

Ainsi, une consommation domestique de plus de 300 kWh par mois coûte moins cher à Fort-Resolution que dans ces localités. Pour ce qui est de l'électricité industrielle, le prix de vente de $128.40 pour 800 kWh indiqué pour Fort-Resolution est faux: le chiffre exact est $120.50. Les tarifs industriels de Fort-Resolution n'en restent pas moins supérieurs à ceux des centrales privées des autres petites localités, car il est considéré comme juste, en vertu du principe de l'«aptitude à payer» (reconnu par toutes les entreprises d'utilité publique), de fixer les tarifs industriels à un niveau plus élevé que les tarifs domestiques.

Dans le cas de petites localités comme celles qui sont énumérées au tableau 1, la quantité d'énergie produite a une grande portée sur le tarif par kWh. Les charges fixes qui, dans une grande mesure, ne dépendent aucunement de la quantité d'énergie produite, tendent à être plus élevées dans les localités isolées en raison des frais de transport, du manque de logements et du caractère réduit de l'activité commerciale. Ainsi, une augmentation modeste de la consommation d'énergie influe peu à elle seule sur le total des charges, mais réduit sensiblement le coût unitaire. Si donc, dans le cas de Fort-Resolution, les ventes d'énergie augmentaient de 100,000 kWh par an, les charges ne seraient majorées que de $2,200, mais le coût moyen global tomberait de 10.57c. le kWh à 9.2c. le kWh.

Étant donné que la Commission n'a pas accès au détail des charges des centrales privées, elle ne peut rien dire sur la part prise par leurs frais d'exploitation dans les frais généraux et les frais de surveillance indiqués par la société mère, part qui représente environ ¾c. par kWh dans le cas de l'installation de la Commission à Fort-Resolution.

COMPARAISON DES TARIFS APPLIQUÉS À WHITEHORSE, À YELLOWKNIFE ET À HAY RIVER ET DE CEUX DE LA CENC À FORT-SMITH ET À FORT-SIMPSON

Les tableaux 3 et 4 (pièces jointes) donnent le chiffre exact des tarifs et des prix de revient relatifs aux différentes quantités d'énergie fournies dans trois localités desservies par l'entreprise privée (Whitehorse, Yellowknife et Hay River) et dans deux localités desservies par la CENC (Fort-Smith et Fort-Simpson).

Dans le cas de Whitehorse et de Yellowknife, la CENC fournit l'énergie hydro-électrique au prix du gros aux entreprises privées qui se chargent de sa distribution dans ces localités: la *Yukon Electrical Company Limited,* à Whitehorse, et la *Plains Western Gas and Electric Company,* à Yellowknife. Cette dernière société n'a pas de centrale dans la région de Yellowknife. Environ 10 p. 100 de la charge, en kW, et 15 p. 100 de l'énergie électrique, en kWh, consommée dans cette région proviennent de deux petites centrales hydro-électriques appartenant à la *Yukon Hydro Company Limited,* société soeur de la *Yukon Electrical Company Limited,* toutes deux filiales à part entière de la grande entreprise électrique d'utilité publique de l'Alberta, la *Canadian Utilities Limited,* dont le siège social est à Edmonton et qui appartient dans une proportion de 72 p. 100 à l'*International Utilities Limited.* Hay River (T. N.-O.) est desservie par la *Northland Utilities Limited,* qui alimente aussi un certain nombre de localités du nord de l'Alberta. Cette société est une filiale à part entière de l'*International Utilities Limited* et est gérée par la *Canadian Utilities Limited.*

Les chiffres des deux tableaux sont justes, mais il serait tout à fait faux de conclure de la comparaison des tarifs et des prix de revient de ces 5 localités que les centrales privées fournissent un service moins coûteux que celui de la CENC. La seule comparaison du barème des tarifs peut être très trompeuse en raison de la différence considérable qui existe entre les quantités d'énergie distribuées dans les diverses localités et entre le prix de revient de base de l'énergie hydro-électrique et celui de l'énergie produite par des groupes diesel.

Yellowknife et Whitehorse sont des centres urbains relativement grands et dans chacune desquelles le nombre des consommateurs est supérieur de plusieurs centaines à celui des deux localités desservies par la CENC, c'est-à-dire Fort-Simpson et Fort-Smith. Hay River et Fort-Simpson sont, sur les cinq localités énumérées, les deux seules à être alimentées par des groupes diesel, les trois autres, c'est-à-dire Yellowknife, Whitehorse et Fort-Smith, l'étant par des centrales hydro-électriques.

Pour illustrer l'importance relative de ces 5 installations, nous donnons ci-dessous le nombre approximatif de consommateurs domestiques et chacune de ces localités:

> Whitehorse—2150; Yellowknife—1000; Fort-Smith—450; Hay River—375; Fort-Simpson—125;

Les prix de revient de l'énergie à Fort-Smith qui figurent au tableau 4 ne peuvent se comparer qu'avec ceux de Yellowknife et de Whitehorse, étant donné que ces trois localités sont desservies par des centrales hydro-électriques. En revanche, Fort-Smith a une importance bien moindre quant au nombre de consommateurs et à la quantité d'énergie (kWh par an) distribuée. Cependant, malgré la différence si grande existant entre les quantités d'énergie distribuée, le prix de

the charge for residential power in Fort Smith is only slightly higher than in the two much larger centers (Whitehorse and Yellowknife), where hydro power is distributed by investor owned utilities, (there is some variation at various levels of consumption due to peculiarities of the individual rate structures—also Yellowknife enjoys a very low domestic rate achieved at the expense of the commercial consumers). However, *in the general commecial service category the cost is in every instance loss at Fort Smith than in both Yellowknife and Whitehorse.* The basic or wholesale cost of hydro power supplied to all three distribution systems is similar for each locality, i.e. 4c/kwhr or less. Furthermore, the Fort Smith retail rates have been unavoidably influenced by the selection of Yellowknife as the Capital of the Northwest Territories with consequent decline in the growth factor as it pertains to consumption of power in the Fort Smith area. When these factors are taken into consideration it is quite apparent that the NCPC rates in Fort Smith compares very favourably indeed with those of the investor owned utilities distributing hydro power (producer by the NCPC) in the much larger communities of Whitehorse and Yellowknife.

In comparing the diesel supplied communities of Fort Simpson and Hay River both of which are much smaller than Yellowknife or Whitehorse, it must be recognized that Hay River is a much larger and more commercial type community than Fort Simpson. Hay River is located on the Mackenzie Highway whereas Fort Simpson is situated on the Mackenzie River over 200 miles northwest of Hay River. Whereas Hay River enjoys year round highway access as well as frequent scheduled air service, Fort Simpson is accessible only by twice weekly scheduled air service, water transport (from Hay River) and in recent years, a winter trucking road. All supplies for Fort Simpson (except fuel) must be shipped through Hay River or by air from Edmonton, personnel transport to and from Fort Simpson is by air only a considerably greater cost than applies for personnel movements to and from Hay River. Furthermore since the advent of the Great Slave Lake Railroad, Hay River has taken on increased importance as a transportation centre and the area has been experiencing an expanding commercial economy. Fort Simpson, on the other hand, is a relatively static educational and minor administrative community with minimum commercial activity. Consequently, there has been an optimistic outlook in respect to increasing power consumption at Hay River, compared to a virtually static situation at Fort Simpson.

When these factors are taken into consideration, together with the fact that the number of power consumers in Hay River is over three times the number in Fort Simpson, the NCPC rates at Fort Simpson, though higher, compare very favourably with those at Hay River. The domestic rates are only slightly higher for the larger quantities (above 100 kwhrs/month) and the charge for small amounts of commercial power are lower at Fort Simpson than at Hay River. For larger blocks of commercial power the Hay River rates are lower than Fort Simpson, due to the Fort Simpson rates being designed to favour the domestic consumers in line with standard utility practice. There are now encouraging signs of increased commercial activity in the Fort Simpson area which may well blossom forth upon completion of the all weather highway scheduled for 1970; should this come about there is little doubt that it will lead to increased consumption of power and a consequent reduction in power rates to the extent of equating with or improving the indicated rates in the larger and more favourably located town of Hay River.

DAWSON POWER RATES

Table 5 (copy attached) tabulates the NCPC power rates at Dawson and the Yukon Electrical Company rates at Watson Lake, Yukon, and the rates that Yukon Electrical proposed in offering to supply power in Dawson. The tabulation is correct except that the NCPC commercial rates include a rate of 6¢/kwhr for power supplied to the Dawson water system for operation of the water pumps. This rate is less than the rate that would have applied under the Yukon Electrical Company's proposed rates for this service because the latter included a demand charge plus an average rate of 11¢/kwhr for the first 100 kwhrs per month per kw of demand; hence the proposed Yukon Electrical Company rates would have resulted in an increased cost for power to operate the water system of approximately $400 per month, or nearly $5,000 per annum, or approximately 14% more than the NCPC charge for power supplied to the water system.

vente de l'énergie domestique à Fort-Smith n'est que légèrement plus élevé que dans les deux plus grands centres (Whitehorse et Yellowknife), où l'énergie électrique est distribuée par l'entreprise privée (il existe certains écarts, à différents niveaux de consommation, dus aux particularités de chacun des régimes tarifaires, au fait aussi que Yellowknife jouit d'un tarif domestique très bas obtenu aux dépens des consommateurs industriels.) *Quoi qu'il en soit, dans l'ensemble des services industriels, le prix de revient est dans chaque cas moins élevé à Fort-Smith qu'à Yellowknife et à Whitehorse.* Le prix de revient de base ou celui de vente en gros de l'énergie hydro-électrique fournie à ces trois réseaux de distribution est semblable pour chacune des localités, c'est-à-dire de 1¼c. par kWh ou plus. En outre, les tarifs de détail de Fort-Smith ont inévitablement subi les répercussions du choix de Yellowknife comme capitale des Territoires du Nord-Ouest. Il s'en est suivi une baisse du facteur de croissance dans la consommation d'énergie de la région de Fort-Smith. Lorsque l'on tient compte de ces facteurs, il est tout à fait manifeste que les tarifs de la CENC, à Fort-Smith, se comparent tout à fait favorablement avec ceux des entreprises privées qui distribuent l'énergie électrique produite par la CENC, dans les grandes localités de Whitehorse et de Yellowknife.

En comparant les localités de Fort-Simpson et de Hay River, desservies par des centrales diesel et toutes deux beaucoup plus petites que celles de Yellowknife et de Whitehorse, on doit reconnaître que Hay River est une localité beaucoup plus grande et plus active que Fort-Simpson. Hay River se trouve sur la grande route du Mackenzie, tandis que Fort-Simpson est situé sur le fleuve Mackenzie, à plus de 200 milles au nord-ouest de Hay River. Alors que cette dernière est accessible par route toute l'année et est desservie régulièrement par des liaisons aériennes fréquentes, Fort-Simpson n'est accessible que par voie aérienne (deux liaisons hebdomadaires régulières), par voie fluviable (à partir de Hay River) et, depuis les dernières années, par une route ouverte aux camions en hiver. Tous les approvisionnements à destination de Fort Simpson (à l'exception du combustible) doivent transiter par Hay River ou être expédiés par voie aérienne d'Edmonton. Le transport du personnel, à destination ou en provenance de Fort-Simpson, ne s'effectue que par voie aérienne, à bien plus grands frais que celui du personnel à destination ou en provenance de Hay River. De plus, depuis l'apparition du chemin de fer du Grand lac des Esclaves, Hay River a pris une importance plus grande comme centre de transport et sa région a connu une économie en expansion. Par contre, Fort Simpson, centre scolaire et centre administratif secondaire, a relativement peu évolué et son activité commerciale est minime. En conséquence, les perspectives d'augmentation de la consommation d'énergie ont été plus optimistes pour Hay River que pour Fort-Simpson, où la situation est restée pratiquement inchangée.

Quand on tient compte de ces facteurs, du fait aussi que le nombre de consommateurs d'énergie de Hay River est plus de trois fois supérieur à celui de Fort-Simpson, les tarifs de la CENC à Fort-Simpson, quoique plus élevés, soutiennent très favorablement la comparaison avec ceux de Hay River. Les tarifs domestiques ne sont que légèrement plus élevés pour les quantités supérieures (au-dessus de 100 kWh par mois) et les prix de vente pour les petites quantités d'énergie industrielle sont moins élevés à Fort-Simpson qu'à Hay River. Pour les quantités supérieures d'énergie industrielle, les tarifs de Hay River sont inférieurs à ceux de Fort-Simpson, du fait que les tarifs de cette dernière localité sont fixés de façon à favoriser les consommateurs domestiques, conformément à la règle générale appliquée aux services d'utilité publique. L'expansion de l'activité commerciale de la région de Fort-Simpson, dont les symptômes actuels sont encourageants, a de bonnes chances de s'épanouir dès l'achèvement, prévu pour 1970, de la nouvelle route toute saison. Si ces espoirs se réalisent, il est peu douteux que la consommation d'énergie augmentera et que les tarifs diminueront en conséquence, pour atteindre un niveau égal ou même inférieur à celui des tarifs indiqués pour Hay River, ville pourtant plus grande et mieux située.

TARIFS D'ÉLECTRICITÉ À DAWSON

Le Tableau 5 (dont un exemplaire est joint à la présente) donne le tarif de la C.E.N.C. pour Dawson, celui de la *Yukon Electrical Company* pour Watson Lake (Yukon), de même que le tarif auquel cette dernière société propose de fournir l'électricité à Dawson. Le tableau est exact, à cette exception près que le tarif commercial de la C.E.N.C. comprend un taux de 6ø/kwh dans le cas de l'électricité fournie pour le fonctionnement des pompes à eau du service d'eau de Dawson. Ce tarif est inférieur à celui que propose la *Yukon Electrical Company,* car ce dernier comprendrait un montant calculé selon la demande, ainsi qu'un taux moyen de 11¢/kWh pour les 100 premiers kWh de chaque mois, établi selon le nombre de kWs de demande; ainsi, l'application d'un tel tarif accroîtrait le coût de l'électricité nécessaire au fonctionnement du service d'eau d'une

The domestic and commercial rates proposed in the Yukon Electrical Company's offer to supply power in Dawson, are lower than the Commission's current rates for the same categories of service because of the special nature of the NCPC operations in Dawson.

The Commission's power plant in Dawson is closely integrated with the domestic water system, which the Commission operates on behalf of the Yukon Territorial Government. The power plant established by the Commission houses an oil fired boiler to heat the city water supply in the winter months and, in addition, waste heat from the diesel plant is recovered and made available to the water system thereby reducing the amount of fuel oil required for water heating purposes. Operation of the water system pumping and heating equipment is controlled and monitored by the power plant staff. The security of the water system in cold weather is dependent upon the continuous circulation of water and supply of adequate heat, consequently it is deemed mandatory to maintain 24 hour operator attendance in the power plant to ensure, as near as it is humanly possible to do so, continuous power supply to the pumps and surveillance of the pumping and water heating system. However, because the operating staff is also required in connection with operation of the power plant the full cost of the plant operating staff is charged to the power plant.

The rates that were proposed by the Yukon Electrical Company would produce about $12,000 per year less revenue than the Commission's current rates, which could be made up by charging the water system for a share of the costs of the plant operating staff, and for heat supplied from the diesel plant to the water system, but such action would only serve to increase the operating costs of the water system and would be reflected in increased charges to the water system customers, who are essentially the same people as the power consumers—or to the Yukon Government who meets the deficit in respect to the water system (revenue at normally accepted rates for water service as applied in Dawson, is not sufficient to meet all costs of the water system).

The Commission has no information as to how much general overhead expense would have been carried by the Dawson power operation under private ownership at the rates that were proposed. It is also to be noted that while the Yukon Electrical Company offered to operate the water system the proposal did not advance any basis on which this would be done nor a willingness to take over and renovate the then existing water system, whereas the Commission shouldered the responsibility of taking over both the power supply and water system and arranged for the necessary renovation of the water system, integrating the equipment with the power plant, as outlined above.

The Yukon Electrical Company offer *did not* contain an undertaking to maintain rates at the proposed level for a period of 20 years. It is standard practice for franchise agreements to contain provision for review and adjustment of rates should operating experience at the maximum rates specified in the agreement prove unfavourable to the operator. It is reasonable to suppose that had Yukon Electrical Company offer re Dawson been accepted the consequent franchise agreement would have contained the usual rate review clause.

somme d'environ $400 par mois, soit de près de $5,000 par année, c'est-à-dire environ 14 p. 100 de plus que le montant qu'exige actuellement la C.E.N.C. pour un tel service.

C'est à cause de la nature particulière de l'exploitation de la C.E.N.C., à Dawson, que ses tarifs résidentiels et commerciaux sont actuellement plus élevés, pour la même catégorie de service d'électricité, que ceux que propose la *Yukon Electrical Company*.

La centrale électrique de la Commission, à Dawson, est étroitement intégrée au service d'eau pour fins domestiques, que cette même Commission exploite au nom du gouvernement territorial du Yukon. Cette centrale, établie par la Commission, loge une chaudière à mazout, qui chauffe l'approvisionnement d'eau de la ville au cours des mois d'hiver; de plus, on récupère la chaleur perdue par l'usine diesel et on s'en sert aussi pour le chauffage du service d'eau, ce qui diminue la quantité de mazout nécessaire à cette fin. Le fonctionnement du pompage de l'eau et du matériel de chauffage est contrôlé et dirigé par le personnel de la centrale électrique. Comme le maintien du service d'eau par temps froid est fonction de la circulation continue de l'eau et de la production d'une quantité suffisante de chaleur, on estime qu'il est nécessaire de maintenir à la centrale électrique un service continu de préposés chargés d'assurer, dans la mesure du possible, la continuité de l'alimentation des pompes en électricité, ainsi que la surveillance du pompage et du chauffage de l'eau. Toutefois, comme ce personnel se charge aussi du fonctionnement de la centrale électrique, les frais de son maintien sont imputés sur cette installation.

Les taux proposés pr la *Yukon Electrical Company* occasionneraient une perte annuelle de revenu d'environ $12,000 par rapport à ceux que demande actuellement la Commission, montant qui pourrait être compensé en imputant sur le service d'eau une part des frais de maintien du personnel d'exploitation de la centrale et des frais engagés par l'usine diesel pour assurer le chauffage au service d'eau, mais de telles mesures ne serviraient qu'à augmenter les frais d'exploitation du service d'eau et entraîneraient une majoration de l'imposition payée par les abonnés de ce service, qui sont aussi, règle générale, les usagers de l'électricité, ainsi qu'un accroissement de la contribution du gouvernement du Yukon, qui se charge de combler le déficit du service d'eau (les revenus découlant de l'application de taux généralement acceptables dans le cas des services d'eau, comme c'est le cas à Dawson, ne suffisent pas à payer de tels services).

La Commission ne sait pas à combien se seraient élevées les dépenses générales si l'alimentation de Dawson en électricité avait été effectuée par l'entreprise privée en question, aux taux qu'elle a proposés. On remarquera aussi que, même si la *Yukon Electrical Company* a offert d'exploiter le service d'eau, la proposition qu'elle a formulée ne contenait aucun détail sur la façon dont elle entendait procéder ni ne témoignait du désir de se charger du service d'eau alors existant et d'en entreprendre la rénovation, alors que la Commission s'engageait à se charger à la fois de l'alimentation en énergie, ainsi que de ce service d'eau et de sa rénovation, intégrant le tout dans la centrale électrique, comme il est dit plus haut.

De plus, par son offre, la *Yukon Electrical Company* ne s'engageait pas à maintenir ses taux au même niveau pendant une période de vingt ans. Habituellement, les accords relatifs à des concessions contiennent des dispositions de révision et de rajustement des tarifs pour les cas où l'exploitation aux taux maximums indiqués dans ces accords se révèle non rentable pour l'exploitant. On peut donc supposer que si l'offre de la *Yukon Electrical Company*, au sujet de Dawson, avait été acceptée, l'accord de concession qui en aurait résulté aurait contenu cette disposition habituelle de révision des taux.

I—COMPARISON OF REVENUE AND FUEL COSTS FOR THE YEAR 1965-1966

Location	Capacity	KWH Gen. × 1000	KWH Sold × 1000	Revenue $	Fuel Cost c/KWH Gen.	Revenue c/KWH Sold
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	50,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

II—RATE COMPARISON
(Small Diesel Plants)

	Monthly Bill				
	25 KWH	50 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$
Residential					
Fort Resolution (NCPC)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (Canadian Utilities, Ltd.)	3.50	6.40	10.40	14.40	24.40
Haines Junction—Teslin—Destruction Bay—Beaver Creek (Yukon Electrical)	4.00	7.40	12.40	17.40	30.40
Wabasca (Northland Utilities Ltd.)	3.50	6.40	10.40	14.40	24.40

	Monthly Bill		
	200 KWH	400 KWH	800 KWH
	$	$	$
Commercial (4 KWH Load)			
Fort Resolution (NCPC)	32.40	64.40	128.40
Fort Chipewyan (Canadian Utilities, Ltd.)	24.00	40.00	72.00
Haines Junction—Teslin—Destruction Bay—Beaver Creek (Yukon Electrical)	28.50	48.50	80.50
Wabasca (Northland Utilities Limited)	24.00	40.00	72.00

Correct Figures re Fort Resolution:					
Domestic	4.25	8.00	13.00	15.50	23.00
Commercial	30.50		60.50		120.50

I—ÉTAT COMPARATIF DU REVENU RÉALISÉ ET DES FRAIS DE COMBUSTIBLE POUR L'ANNÉE 1965-1966

Localité	Capacité	Production de kWh × 100	N. de kWh vendus × 100	Revenus $	Coût du combustible en ¢/kWh produit	Revenus en ¢/kWh vendu
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	56,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

II—COMPARAISON DES TARIFS
(Petites usines diesel)

	Coût mensuel				
	25 kWh	50 kWh	100 kWh	150 kWh	300 kWh
	$	$	$	$	$
Tarif résidentiel					
Fort Resolution (C.E.N.C.)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (*Canadian Utilities, Ltd*)	3.50	6.40	10.40	14.40	24.40
Haines Junction—Teslin—Destruction Bay—Beaver Creek (*Yukon Electrical*)	4.00	7.40	12.40	17.40	20.40
Wabasca (*Northland Utilities Ltd*)	3.50	6.40	10.40	14.40	24.40

	Coût mensuel		
	200 kWh	400 kWh	800 kWh
	$	$	$
Tarif commercial (Consommation de 4 kWh)			
Fort Resolution (C.E.N.C.)	32.40	64.40	128.40
Fort Chipewyan (*Canadian Utilities, Ltd*)	24.00	40.00	72.00
Haines Junction—Teslin—Destruction Bay—Beaver Creek (*Yukon Electrical*)	28.50	48.50	80.50
Wabasca (*Northland Utilities Limited*)	24.00	40.00	72.00

Chiffres exacts au sujet de Fort Resolution:					
Résidentiel	$4.25	8.00	13.00	15.50	23.00
Commercial	$30.50		60.50		120.50

TABLE 3—MONTHLY RATE SCHEDULES

Fort Simpson—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 8.88¢
Over 75 KWH at 5.55¢
Discount 10% for p.p.

General Service:
1 to 20 KWH at $3.33 (min)
Over 20 KWH at 8.88¢
Discount 10% for p.p.

Fort Smith—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 6.0¢
76 to 200 KWH at 3.33¢
201 to 500 KWH at 2.22¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

General Service:
1 to KWH at $3.33 (min)
21 to 100 KWH at 6.0¢
101 to 500 KWH at 4.44¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

Yellowknife—Residential:
First 25 KWH at 1.25
Next 25 KWH at 4.2¢
Next 50 KWH at 2.4¢
All over 100 at 1.7¢
Min. $2.00

Commercial:
D.C. each .5 KW at $1.75
25 KWH/.5 KW included in D.C.
Next 50 KWH/.5 KW at 3.0¢
Next 7500 KWH at 2.7¢
Excess 2.3¢

Water heating (separate meter)
All KWH used at 1.3¢/KWH
Min. charge $2.00

Power:
D.C. $1.00 per KW
Up to 20,000 KWH at 3.75¢
Excess KWH at 2.75¢

Hay River—Residential, Rate 115:
First 10 KWH $2.50 (min)
Next 20 KWH at 8.0¢
Next 50 KWH at 6.0¢
Excess KWH at 4.0¢

General Service Rate 206:
D.C. first KW at $2.00 add'l at 50¢
First 50 KWH/KW at 10.0¢
Next 50 KWH/KW at 7.0¢
Excess KWH at 5.0¢
Min $3.50

Gen. Serv. Over 20 KW Rate 331:
D.C. each KW at $2.00
First 100 KWH/KW at 5.25¢
Next 200 KWH/KW at 4.25¢
Excess KWH used at 3.25¢

General Service Rate 210:
D.C. $1.00/KW
First 30 KWH/KW at 8.0¢
Next 30 KWH/KW at 6.0¢
Next 40 KWH/KW at 5.0¢
Excess KWH at 4.0¢

December 28, 1967.

TABLE 4—COMPARISON OF HAY RIVER RATES WITH OTHER NORTH COMMUNITIES

	10 KWH	25 KWH	55 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$	$
Residential						
Hay River	2.50	3.70	5.60	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

General Service		H. River	Ft. Simp.	Ft. Smith	Y'Knife	W.H.
		$	$	$	$	$
Load	KWH					
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

TABLEAU 3—LISTE DES TARIFS MENSUELS

Fort Simpson—Résidentiel:
de 1 à 10 kWh: $2.22 (min.)
de 11 à 75 kWh: 8.88¢
plus de 75 kWh: 5.55¢
Remise de 10 p. 100 pour paiement anticipé.

Service général:
de 1 à 20 kWh: $3.33 (min.)
Plus de 20 kWh: 8.88¢
Remise de 10 p. 100 pour paiement anticipé.

Fort Smith—Résidentiel
de 1 à 10 kWh: $2.22 (min.)
de 11 à 75 kWh: 6.0¢
de 76 à 200 kWh: 3.33¢
de 201 à 500 kWh: 2.22¢
plus de 500 kWh: 3.33¢
Remise de 10 p. 100 pour paiement anticipé.

Service général:
de 1 à 20 kWh: $3.33 (min.)
de 21 à 100 kWh: 6.0¢
de 101 à 500 kWh: 4.44¢
Plus de 500 kWh: 3.33¢
Remise de 10 p. 100 pour paiement anticipé.

Yellowknife—Résidentiel:
Les premiers 25 kWh à 1.25
les 25 suivants à 4.2¢
les 50 suivants à 2.4¢
plus de 100 kWh: 1.7¢
Min.: $2.00

Commercial:
Chaque .5 kW en C.C. à $1.75
25 kWh/.5kW compris en C.C.
Les 50 suivants à 3.0¢
Les 7,500 kWh suivants à 2.7¢
Le supplément à 2.3¢

Chauffage de l'eau (compteur distinct)
Pour chaque kWh utilisé: 1.3¢/kWh
Frais minimums: $2

Énergie électrique:
$1.00 par kW en C.C.
Jusqu'à 20,000 kWh: 3.75¢
Le supplément de kWh à 2.75¢

Hay River—Résidentiel. Tarif 115:
Les premiers 10 kWh: $2.50 (min.)
les 20 suivants à 8¢
les 50 suivants à 6¢
le supplément à 4¢

Service général. Tarif 206:
Les premiers kW en C.C. à $2.00 et les suivants à 50¢
Les premiers 50 kWh/kW à 10.0¢
Les 50 suivants à 7.0¢
Le supplément de kWh à 5.0¢
Min.: $3.50

Service général. Plus de 20 kW. Tarif 331:
Chaque kW de C.C.: $2.00
Les premiers kWh/kW: 5.25¢
Les 200 suivants à 4.25¢
Le supplément par kWh utilisé: 3.25¢

Service général. Tarif 210:
$1.00/kW en C.C.
Les premiers 30 kWh/kW à 8.0¢
Les 30 suivants à 6.0¢
Les 40 suivants à 5.0¢
Le supplément de kWh à 4.0¢

TABLEAU 4—COMPARAISON DES TARIFS DE HAY RIVER AVEC CEUX D'AUTRES AGGLOMÉRATIONS SEPTENTRIONALES 23 DÉCEMBRE 1967

	10 kWh	25 kWh	55 kWh	100 kWh	150 kWh	300 kWh
	$	$	$	$	$	$
Résidentiel						
Hay River	2.50	3.70	5.00	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

Service général		Hay River	Fort Simpson	Fort Smith	Yellowknife	Whitehorse
		$	$	$	$	$
Consommation en kWh						
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

TABLE 5—DAWSON CITY

Y.E. Co. Proposed Rates	N.C.P.C. Existing Rates	Watson Lake Rates
Residential	Residential	Residential
First 40 KWH at 12.0¢/KWH Next 100 KWH at 8.0¢/KWH Next 400 KWH at 6.0¢/KWH Excess KWH at 4.0¢/KWH Minimum $2.50	First 10 KWH at 20¢/KWH Next 99 KWH at 12¢/KWH Next 100 KWH at 10¢/KWH Excess KWH at 6¢/KWH Minimum $2.50	First 40 KWH at 8.0¢/KWH Next 100 KWH at 6.0¢/KWH Next 400 KWH at 4.0¢/KWH Excess KWH at 3.5¢/KWH Minimum $2.50
Commercial and General Service	Commercial and General	Commercial and General
Demand Charge		Demand Charge
First 1 KW—$1.50 Add'l. KW—$. 50	Nil	First 1 KW—$1.50 Add'l. KW—$. 50
Energy Charge	Energy Charge	Energy Charge
First 50 KWH/KW used–12.0¢/KWH Next 50 KWH/used–10 ¢/KWH/KW Excess KWH/KW used–6.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50	First 20 KWH at 20.0¢/KWH Next 80 KWH at 15.0¢/KWH Next 200 KWH at 12.0¢/KWH Next 700 KWH at 10.0¢/KWH Excess KWH at 8.0¢/KWH *Minimum*—$4.00	First 50 KWH/KW at 12.0¢/KWH Next 200 KWH/KW at 10.0¢/KWH Excess KWH at 5.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50

Power supplied to Dawson Water System
All energy—6¢/kwhr.

TABLEAU 5—DAWSON

Tarifs proposés par la *Y. E. Co.*	Tarifs actuels de la C.E.N.C.	Tarifs de Watson Lake
Résidentiel	Résidentiel	Résidentiel
Les premiers 40 kWh à 12.0¢ chacun Les 160 suivants à 8.0¢. Les 400 suivants à 6.0¢. Le supplément à 4.0¢/kWh Minimum: $2.50	Les premiers 10 kWh à 20¢ chacun Les 90 suivants à 12¢ Les 100 suivants à 10¢ Le supplément à 6¢/kWh Minimum: $2.00	Les premiers 40 kWh à 8.0¢ chacun Les 160 suivants à 6.0¢ Les 400 suivants à 4.0¢ Le supplément à 3.5¢/kWh Minimum: $2.50
Tarif commercial et service général	Commercial et service général	Commercial et service général
Coût suivant la demande		Coût suivant la demande
Premier kW: $1.50 kW supplémentaire: $1.50	Néant	Premier kW: $1.50 kW supplémentaire: 50¢
Coût de l'énergie	Coût de l'énergie	Coût de l'énergie
Les premiers 50 kWh/kW utilisés: 12.0¢/kWh Les 50 suivants à 10¢/—kWh Le supplément à 6.0¢/kWh Minimum: le coût suivant la demande (frais minimums de $2.50)	Les premiers 20 kWh à 20¢ chacun Les 80 suivants à 15.0¢ chacun Les 200 suivants à 12.0¢ chacun Les 700 suivants à 10.0¢ chacun Minimum de $4.00	Les premiers kWh/kW à 12.0/¢kWh Les 200 suivants à 10.0¢/kWh Le supplément de kWh à 5.0¢/kWh Minimum: le coût suivant la demande (frais minimums de $2.50)

Énergie fournie pour le service d'eau de Dawson
Tout genre d'énergie: 6¢/kWh

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 12

MONDAY, MARCH 10, 1969

TUESDAY, MARCH 11, 1969

LE LUNDI 10 MARS 1969

LE MARDI 11 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires—Affaires indiennes et Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

THE QUEEN'S PRINTER, OTTAWA, 1969
IMPRIMEUR DE LA REINE, OTTAWA, 1969

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INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

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(Voir Procès-verbaux)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29968—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*
Vice-Chairman Mr. Paul St-Pierre *Vice-président*

and Messrs. et Messieurs

Borrie
Buchanan
Cullen
Deakon
Dinsdale
Duquet
Givens
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
Nielsen
O'Connell
Orlikow
Simpson
Southam
Thomson (*Battleford-Kindersley*)
Yewchuk (20)

Le secrétaire du comité,
Michael B. Kirby,
Clerk of the Committee.

ORDRE DE RENVOI

THURSDAY, February 20, 1969.

Ordered,—That Votes 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 and L90 relating to the Department of Indian Affairs and Northern Development; and

Vote 45 relating to the National Battlefields Commission be referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ORDRE DE RENVOI

Le JEUDI 20 février 1969

Il est ordonné,—Que les crédits nos 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 et L90 concernant le ministère des Affaires indiennes et du Nord canadien; et

Le crédit n° 45 concernant la Commission des champs de bataille nationaux soient renvoyés au comité permanent des affaires indiennes et du Nord canadien.

ATTESTÉ:

Le Greffier de la Chambre des communes,
ALISTAIR FRASER
The Clerk of the House of Commons.

29968—1½

MINUTES OF PROCEEDINGS

MONDAY, March 10, 1969.
(12)

The Standing Committee on Indian Affairs and Northern Development met this day at 3.50 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Corbin and Burton.

Witnesses: From the Department of Indian Affairs and Northern Development; Mr. J. H. Gordon, Senior Assistant Deputy Minister, (Conservation); Mr. J. I. Nicol, Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

At 4.30 p.m.:

The Committee proceeded to examine the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70. The Chairman called Vote 35 relating to National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act.

Mr. Gordon made a statement and he and his officials were questioned. It was *agreed* that Vote 35 stand.

The Chairman called Vote 45 relating to the National Battlefields Commission and

PROCÈS-VERBAUX

(*Traduction*)

Le LUNDI 10 mars 1969.
(12)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit cet après-midi à 3 h. 50, sous la présidence de M. Watson, président.

Présents: MM. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, Saint-Pierre, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Corbin et Burton.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. H. Gordon, sous-ministre adjoint senior (Conservation); M. J. I. Nicol, directeur, Direction des parcs nationaux et des lieux historiques; M. P. H. Bennett, directeur adjoint (Lieux historiques), Direction des parcs nationaux et des lieux historiques; M. P. B. Lesaux, chef de la Division de l'exploitation, Service des lieux historiques nationaux, Direction des parcs nationaux et des lieux historiques; M. L. H. Robinson, directeur régional, région de l'Atlantique, Direction des parcs nationaux et des lieux historiques.

A 4 h. 30 de l'après midi:

Le Comité passe à l'examen des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970. Le président met en délibération le crédit 35—Parcs nationaux, lieux et monuments historiques, conservation et mise en valeur des ressources fauniques, y compris l'exécution de la loi sur la Convention concernant les oiseaux migrateurs.

M. Gordon fait une déclaration et répond, ainsi que ses collègues, à des questions. Il est *convenu* de réserver le crédit 35.

Le président met ensuite en délibération le crédit 45—Commission des champs de

after questions, it was *agreed* that Vote 45 be allowed to stand.

On motion of Mr. Givens, at 5.50 p.m. it was *Agreed*—That the Committee adjourn until Tuesday, March 11, 1969.

bataille nationaux, et, après des questions, il est *convenu* de réserver le crédit 45.

Sur la proposition de M. Givens, à 5 h. 50 de l'après-midi,

Il est *convenu*—Que le Comité s'ajourne jusqu'au mardi 11 mars 1969.

TUESDAY, March 11, 1969.
(13)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Givens, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, St-Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk (13).

Witnesses: Mr. Arthur Solomon; *From the Department of Indian Affairs and Northern Development;* Mr. J. W. Churchman, Director, Indian Eskimo Economic Development Branch, Economic Development Program; Mr. V. Vokes, Senior Program Development Officer, Arts and Crafts, Small Business Services Division, Economic Development Program.

The Chairman called Item 1—Departmental Administration, of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow the Committee to consider Handicrafts as ordered by the Committee on Monday, March 10, 1969.

The Chairman introduced Mr. Solomon, who, made a statement and was questioned. After questioning the Chairman thanked the witness.

The Chairman invited Mr. Churchman to make a statement after which he and Mr. Vokes were questioned.

Later it was

Agreed—that Item 1—Departmental Administration of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 be allowed to stand.

(*Traduction*)

LE MARDI 11 mars 1969.
(13)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Watson, président,

Présents: MM. Borrie, Cullen, Deakon, Givens, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, St-Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(13).

Témoins: M. Arthur Solomon; *Du ministère des Affaires indiennes et du Nord canadien:* M. J. W. Churchman, directeur, Direction de l'expansion économique (Indiens-Esquimaux), Programme d'expansion économique; M. V. Vokes, agent senior de programmation, Arts et artisanat, Division des petites entreprises, Programme d'expansion économique.

Le président met en délibération le crédit 1—Administration centrale—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970, afin de permettre au Comité d'étudier la question de l'artisanat, comme il avait été prévu le lundi 10 mars 1969.

Le président présente M. Solomon, qui, après avoir fait une déclaration, répond à des questions. L'interrogatoire terminé, le président remercie le témoin.

Le président invite M. Churchman à faire une déclaration, puis ce dernier répond, ainsi que M. Vokes, à des questions.

Il est convenu—Que le crédit 1—Administration centrale du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970 soit réservé.

On motion of Mr. St-Pierre, at 1.00 p.m. it was

Agreed—that the Committee adjourn to the call of the Chair.

Sur la proposition de M. St-Pierre, à 1 h. de l'après-midi,

Il est convenu—Que le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[Texte]

EVIDENCE

(Recorded by Electronic Apparatus)

Monday, March 10, 1969

• 1626

The Chairman: I would like to call Items 35 and 45 of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Conservation Program

Vote 35—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Administration, Operation and Maintenance including expenditures on works, buildings and equipment on other than federal property and grants as detailed in the Estimates, and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia

Total Vote 35: $23,056,600

B—NATIONAL BATTLEFIELDS COMMISSION

Vote 45—To authorize payments to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec (Chapter 57, Statutes of 1908, as amended) .....(12)

Total Vote 45: $335,000

I would like to comment that these estimates are the first ones we have considered in the six years I have been a member of Parliament where we are considering spending money before it is actually spent. I am happy with this development and I trust you are.

Mr. Dinsdale: I presume we are only dealing with one aspect of Item 35, Historic Sites.

The Chairman: Yes. Mr. Dinsdale is correct, we are dealing with the Historic Sites

[Interprétation]

TÉMOIGNAGES

(Enregistrement électronique)

Le lundi 10 mars 1969

Le président: Je voudrais mettre en délibération les crédits 35 et 45 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

Programme de conservation

Crédit 35—Parcs nationaux, lieux et monuments historiques, conservation et mise en valeur des ressources fauniques, y compris l'exécution de la Loi sur la Convention concernant les oiseaux migrateurs—Administration, fonctionnement et entretien, y compris les dépenses à l'égard de bâtiments, ouvrages et matériel situés sur des terrains autres que ceux du gouvernement fédéral, des subventions, selon le détail des affectations, et l'autorisation d'engager des dépenses pour l'aménagement projeté du nouveau parc national dans la région du lac Kejimkujik, en Nouvelle-Écosse

Total du crédit 35 $23,056,600

B—COMMISSION DES CHAMPS DE BATAILLE NATIONAUX

Crédit 45—Autorisation de faire des paiements à la Commission des champs de bataille nationaux aux fins et sous réserve des dispositions d'une loi concernant les champs de bataille nationaux de Québec (c. 57 modifié, Statuts de 1908).

Total du crédit 45: $335,000

J'aimerais signaler que ces prévisions budgétaires sont les premières, depuis six ans que je suis député, pour lesquelles nous envisagions des dépenses avant de les avoir déjà faites. J'en suis très heureux, et je suis certain qu'il en est de même pour vous.

M. Dinsdale: Je suppose que nous n'allons étudier qu'une partie du crédit 35: les lieux historiques.

Le président: Oui. M. Dinsdale a raison. Nous n'étions que la section relative aux lieux

[*Text*]

section of Item 35 in the Estimates of Indian Affairs and Northern Development. It is found on page 175 of the Blue Book on Estimates. I will ask Mr. Gordon to make a general statement on this item.

Mr. Gordon: Thank you, sir. I thought it might be helpful, Mr. Chairman, if I spoke very briefly and in an introductory way on the National Historic Sites Service, its purpose and objectives, and said something about the Minister's advisory board acting on matters of national historic significance.

The powers of the Board are defined in the Historic Sites and Monuments Act and it is, as I stated, the Minister's advisory body, while the National Historic Sites Service is the Minister's operational arm.

The National Historic Sites Service of the National and Historic Parks Branch is one of the three elements of the Department charged with major responsibilities in the important field of conservation of national resources. The other two elements are the National Parks Service and the Canadian Wildlife Service. Interestingly enough, this conservation program in the historic field is about 50 years old this year. It was on March 1, 1919, that the first Commissioner of Dominion Parks addressed to his Minister, the Minister of the Interior, a memorandum which led to the birth of the Historic Sites and Monuments Board of Canada. It might be interesting if I read an extract from the memorandum:

> In my opinion not every so-called historic site should be protected by the Federal Government as there will doubtless be claims advanced for the protection of sites which are only locally interesting from an historic standpoint.
>
> To overcome the difficulty of determining which sites are truly of Dominion wide concern, I would suggest that an honorary board or committee be appointed, composed of men from all parts of the country who are authorities on Canadian history, to advise the Department in the matter of preserving those sites which preeminently posses country wide interest...

This proposal was accepted by the Honourable Arthur Meighen, then Minister of the Interior, and on October 28, 1919, the Historic Sites and Monuments Board, then consisting of seven members, held its first meeting in Ottawa.

[*Interpretation*]

historiques du crédit 35 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien. Ce crédit se trouve à la page 175 du Livre bleu du Budget. Je vaiss demander à M. Gordon de faire une déclaration d'ordre général.

M. Gordon: Je vous remercie, monsieur. J'ai jugé qu'il serait bon, monsieur le président, de vous dire quelques mots d'introduction rapides quant au Service des lieux historiques nationaux, à sa fonction et à ses objectifs, et de vous parler de la commission consultative du Ministre chargée des questions d'importance historique nationale. Les pouvoirs de la Commission sont prévus dans la Loi sur les lieux et monuments historiques et, comme je l'ai dit, la Commission est l'organisme consultatif du Ministre, tandis que le Service des lieux historiques nationaux de la Direction des parcs nationaux et des lieux historiques est l'un des trois services du Ministère chargés de l'important domaine de la conservation des ressources naturelles. Les deux autres sont le Service des parcs nationaux et le Service de la faune du Canada.

Il est intéressant de noter que ce programme de conservation dans le domaine historique aura 50 ans cette année. C'est le 1er mars 1919 que le premier commissaire des parcs fédéraux a adressé à son ministre, le ministre de l'Intérieur, un mémorandum qui a donné naissance à la Commission des lieux et monuments historiques du Canada. Il serait peut-être intéressant que je vous lise un extrait du mémorandum, où l'on dit

> que tous les lieux dits historiques ne devraient pas être protégés par le gouvernement fédéral, étant donné qu'il y aura certainement des demandes en vue de la protection de lieux qui ne présentent qu'un intérêt local du point de vue historique. On y dit aussi que, pour surmonter la difficulté qu'il y a à déterminer quels sont les lieux qui présentent vraiment un intérêt fédéral, on propose la création d'une commission ou d'un comité honoraire, composé de spécialistes d'histoire canadienne de tout le pays, et qui conseillerait le Ministère quant à la préservation des lieux qui présentent réellement un intérêt à l'échelon national.

Cette proposition a été acceptée par l'honorable Arthur Meighen, qui était alors ministre de l'Intérieur, et le 28 octobre 1919, la Commission des lieux et monuments historiques, qui comptait alors sept membres, a tenu sa première réunion à Ottawa.

[*Texte*]

The Board now consists of 13 members, with two members from Ontario and Quebec, as has previously been explained. It can and does—in addition to the expertise the Board members provide—draw freely through the

• 1630

National Historic Sites Service on expert historical, archaeological and architectural advice in formulating its recommendations to the Minister, but in the end these recommendations have to be based on the best and fairest possible assessment of the historical evidence.

This Board is amongst the most hard-working of federal boards and its workload is continually increasing as the interest of Canadians in their history increases. At its last meeting it dealt with an agenda of 56 items and read background agenda papers totalling 700 pages before dealing with them. It now has to meet three times yearly and it has five committees: Inscriptions, Thematic Studies, Fur Trade and Indian Tribes, Historic Buildings and Criteria.

The National Historic Sites Service, which implements recommendations of the Board accepted by the Minister, is responsible for developing and operating a system of parks and sites that stretches from St. John's in the east to Vancouver Island in the West, and from Niagara and Amherstburg in the south to Churchill and Dawson City in the North. It is not just an Ottawa-centred Service, and its responsibilities and activities embrace the whole of Canada. The principal objective is to commemorate major events, persons, places and structures of truly national historic significance in such a way that history is brought alive for Canadians, students and adults alike. It operates interpretation centres—not museums—and it is beginning to make use of live animation for this purpose, for example at Lower Fort Garry and at Signal Hill. Live animation will be increasingly used where appropriate, and as staff and budget considerations permit.

Standards of restoration and interpretation are high and this implies a considerable period of research at each new park before any development can begin. Examples of the quality of restoration and interpretation at which the Service is aiming are represented for example by Bellevue House, Sir John A. Macdonald's house in Kingston, Lower Fort Garry outside Winnipeg, and the Fortress of Louisbourg. The latter is believed to be the biggest single historical restoration ever

[*Interprétation*]

La Commission compte maintenant 13 membres, l'Ontario et le Québec en ayant chacun deux, comme on l'a déjà expliqué.

En plus des connaissances spécialisées que fournissent ses membres, la Commission demande librement conseil au Service des lieux historiques nationaux sur des questions d'histoire, d'archéologie et d'architecture en vue de formuler ses recommandations au ministre, mais en fin de compte, ces recommandations doivent se fonder sur une évaluation aussi bonne et aussi juste que possible des preuves historiques.

Cette Commission est l'une des commissions fédérales qui travaillent le plus, et son travail ne cesse d'augmenter, étant donné que les Canadiens s'intéressent de plus en plus à leur histoire. Lors de sa dernière réunion, elle avait 56 questions au programme, et elle a lu des documents de base totalisant 700 pages avant d'aborder ces questions. Elle doit maintenant se réunir trois fois par an, et elle compte cinq comités: comités des inspections, des études thématiques, des tribus indiennes et du commerce des fourrures, des édifices historiques et, enfin, des critères.

Le service des lieux historiques qui applique les recommandations de la commission acceptées par le ministre est chargé d'exploiter un système de lieux et de parcs nationaux qui s'étendent depuis St-Jean dans l'Est jusqu'à l'île de Vancouver dans l'Ouest, de Niagara au sud à Churchill et Dawson City au nord. Il ne s'agit pas seulement d'un service centralisé à Ottawa, mais qui enveloppe tout le Canada. Le principal objectif est de commémorer les principaux événements qui représentent une importance historique nationale dans la mesure où cela est commémoré pour tous les Canadiens, qu'ils soient jeunes ou adultes, et ils commencent à utiliser de plus en plus l'animation à ce sujet.

L'animation sera de plus en plus utilisée dans la mesure des limites budgétaires, les normes de conservation et d'interprétation sont très élevées et cela implique beaucoup de travaux de recherche chaque fois qu'un projet peut être appliqué. Des exemples de la qualité des restaurations et de l'interprétation que recherche ce service est représenté par la maison de Sir John A. MacDonald et d'un certain nombre d'autres. On considère qu'il s'agit là de la plus grande restauration histo-

[*Text*]

undertaken anywhere, and will, when fully operational in 1972, be comparable in every way or in almost every respect, with Colonial Williamsburg. The U.S. National Park Service, I am proud to say, is amongst a number of organizations and agencies in Canada and other countries that have expressed their favourable impression with the quality of research, reconstruction and interpretation going on at Louisbourg.

It should also be noted that well-restored and interpreted national historic parks and sites are also becoming major tourist attractions, as the recent striking increases in attendance at National Historic Parks indicate. Further, studies conducted by the Canadian Government Travel Bureau show that historic sites are one of the major interests of U.S. tourists in Canada.

An important milestone in the work of the Historic Sites and Monuments Board and of the Service was reached last year when the National Historic Sites Policy Statement was tabled in the House by the then Minister of this Department, almost exactly a year ago today. This Statement is no doubt familiar to many of you, but in case it is not I have brought along copies for all members of the Committee. This Statement, which was recommended to the Minister by the Board, has already proved to be of great assistance to the Board in its deliberations, and is the guide which the National Historic Sites Service follows in its development program.

Reference is made in the Statement to the need for a system of parks and sites which is better balanced, both from thematic and geographic viewpoints, and I would like to touch on this very briefly. In the past our system has tended to stress military aspects of Canadian history and to be concentrated in certain provinces. This is now changing. A five-year program designed to achieve a proper balance has been drawn up, and a number of recent and imminent new additions will already provide a more satisfactory balance both thematically and geographically.

Finally, I would like to draw your attention to the statistics sheet which you will find clipped to your copy of the Policy Statement. The figures and information I believe speak for themselves and, I believe, show clearly how the public demand for the recent strong growth of this part of the Department's conservation program has developed.

The Chairman: Thank you, Mr. Gordon. Mr. O'Connell, have you any questions?

[*Interpretation*]

rique qui ait jamais été entreprise, et en 1972, lorsqu'elle sera restaurée complètement, on considérera qu'il s'agit de quelque chose de la même importance que Williamsburg. Il faut reconnaître que notre service participe à un certain nombre de réunions comprenant des représentants des services des parcs nationaux des États-Unis et que l'on apprécie la qualité de la restauration effectuée à Louisbourg. De même il faut reconnaître que ces lieux historiques restaurés représentent un attrait touristique de plus en plus grand. Des études ultérieures de l'Office du tourisme du Canada montrent que ces lieux et monuments historiques représentent un ensemble d'intérêt touristique pour les Américains.

L'année dernière la déclaration de la politique des lieux et monuments historiques a été déposée à la Chambre, il y a presque exactement un an jour pour jour. Vous connaissez tous cette déclaration sans aucun doute, mais au cas où ça ne serait pas le cas, j'en ai apporté avec moi un exemplaire à l'intention de tous les membres du comité. Cette déclaration représente déjà un outil très utile pour notre service.

Maintenant, dans la déclaration, on parle du besoin qu'il y a de mieux équilibrer les services des lieux et monuments historiques, du point de vue thématique comme du point de vue géographique, et je voudrais aborder la question très brièvement. Dans le passé, notre système a surtout insisté sur l'histoire militaire de notre passé. Cela maintenant est en train de changer grâce à un programme quinquennal qui a pour but de mieux équilibrer et les thèmes et les lieux géographiques. Finalement, j'aimerais attirer votre attention sur les données statistiques ci-jointes. Les chiffres et les renseignements, je pense, parlent d'eux-mêmes, et je pense que cela explique la raison pour laquelle ce ministère s'est fortement développé.

Le président: Je vous remercie, monsieur le ministre. Monsieur O'Connell, avez-vous une question?

[*Texte*]

• 1635

Mr. O'Connell: Mr. Chairman, I would like to ask a series of questions with respect to the plaques that are placed on historic sites. All of them relate to Indian affairs, basically. Could we have some idea of how many historical plaques there are on historical sites?

Mr. Bennett: Yes; there are 600.

Mr. O'Connell: Could you make a rough guess—which I suppose it would have to be—whether very many of them relate to contacts between European and Indian civilizations?

Mr. Bennett: This would have to be a guess. It would take a little time to break it down in this way. We do have the themes of the plaques broken down to a considerable extent, but not in the particular way that you have asked for. My guess would be that somewhere between 40 and 60 plaques deal with the subject to which you refer.

Mr. O'Connell: Thank you. Is there any policy of review of the inscriptions on these plaques? Could you elaborate if there is?

Mr. Bennett: Yes, there is, very definitely. A number of these inscriptions were drawn up as long as 40 years ago and since then more historical research has been done which, in some cases, has made the information on the plaques out of date. The plaques are being reviewed constantly with a view to updating them where this is desirable.

The Inscriptions Committee of the Historic Sites and Monuments Board is the Committee primarily responsible for drawing up the information that goes on these plaques, and as out-of-date plaques are drawn to its attention by the Service it reviews the inscriptions and recommends changes to the Minister.

Mr. O'Connell: I do not wish to generalize from a single example, but at least the plaque at the Fish Creek battleground does appear to be inaccurate. As I say, I do not wish to generalize but I think it would be sound proceedings for the Committee to review all of the inscriptions that relate to contacts between the Indians and others in Canada. In that respect, I notice in your policy statement that is being distributed on page 2 that:

> the Board has adopted the valuable device of special committees to expand and intensify its work.

Could you say whether any of those committees include Indians and Eskimos in their

[*Interprétation*]

M. O'Connell: Monsieur le président, j'ai une série de questions qui concernent les plaques placées sur les monuments et lieux historiques. Pouvez-vous nous dire combien il y a de plaques sur les monuments et lieux historiques?

M. Bennett: Oui, 600.

M. O'Connell: Pouvez-vous me dire combien de plaques relatent la rencontre des civilisations européennes et indiennes?

M. Bennett: Eh bien, cela est assez difficile à fixer. Il faudra un certain temps pour répartir les choses de cette sorte. Nous avons déjà un certain nombre de thèmes qui ont été répartis, mais pas dans l'ordre que vous avez indiqué, mais disons que je pourrais dire que 40 à 60 plaques concernent le sujet dont vous avez parlé.

M. O'Connell: Merci. Est-ce que vous envisagez de modifier les inscriptions de ces plaques?

M. Bennett: Eh, bien oui. Il y a effectivement un programme de révision. Un grand nombre de plaques ont été placées il y a quelque 40 ans. Depuis lors, on a fait beaucoup de travaux de recherches et bien sûr, cela a rendu un peu désuet les renseignements figurant sur ces plaques et ces plaques sont sans cesse réétudiées afin de les mettre à jour lorsque cela est souhaitable.

Le comité des inscriptions de la Commission des lieux et monuments historiques est le comité qui est chargé de rédiger les renseignements, les informations qui figurent sur ces plaques et au fur et à mesure où on attire son attention sur les éléments démodés et périmés, il procède aux modifications nécessaires.

M. O'Connell: Je ne voudrais pas généraliser à partir d'un exemple particulier, mais au moins la plaque de la bataille de Fish Creek semble être assez inexacte, je ne voudrais pas non plus généraliser, mais je pense qu'il serait bon que le comité passe en revue toutes les inscriptions qui portent sur les rapports entre Indiens et autres Canadiens. A ce sujet, je remarque dans votre document à la page 2 de la version anglaise,

> que l'on dit que la commission a adopté la recommandation du comité visant à identifier ces travaux.

Est-ce que vous pouvez nous dire si ces comités comprennent des Indiens et des Esqui-

[*Text*]

membership so that some input could be derived from that source?

Mr. Bennett: The committees consist only of members of the Board. There are no outside members on these Committees. The list of Board members is, of course, available to you.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have a supplementary question. I do not quite follow you, sir, in regard to his question. What do you mean by "no outside members"?

Mr. Bennett: The members of the Historic Sites and Monuments Board each serve on several committees of the Board, but all these committees are made up from within the Board structure.

Mr. Thomson (Battleford-Kindersley): Thank you. That is fine.

Mr. Gordon: Mr. Chairman, perhaps I could interject here and say that, as I mentioned in my statement, one of the subcommittees of the Board deals with the fur trade, and "Indian Tribes" is the name they have selected for themselves. We would be delighted, Mr. Chairman, to speak to the Board and to this committee in particular to see if there is some way in which they can indeed, in their recommendations, find some method of securing an Indian or Eskimo point of view or, indeed, possibly Metis in certain situations.

• 1640

The Chairman: Are you finished, Mr. O'Connell?

Mr. O'Connell: Yes, I think so. I just feel it is particularly important to review the inscriptions in those kinds of cases. I know there is a good deal of Indian interest in those inscriptions, particularly in some of them and, indeed, such is the inaccuracy I think of the one at Fish Creek that the Royal Regiment of Canada is concerned, too, since it has that battle on its battle honours and...

Mr. Bennett: If I may interject here, Mr. Chairman, this particular inscription is very definitely under active review and we hope to come up with a new one very shortly.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Gordon has stated that there is a considerable increase in interest in the preservation of Canada's historic sites and monuments, and I notice in the statistical statement that has been presented that from 1963-64 until 1968-69 the number of projects

[*Interpretation*]

maux pour que l'on puisse retirer quelque chose, de ces contacts.

M. Bennett: Les comités comprennent tous des membres de la commission. Autrement dit, il n'y a pas de membres extérieurs aux commissions. La liste des membres vous pouvez bien sûr l'obtenir.

M. Thomson (Battleford-Kindersley): Qu'est-ce que vous voulez dire par aucun membre de l'extérieur.

M. Bennett: Les membres de la Commission des lieux et monuments historiques siègent à plusieurs comités de cette commission. Autrement dit, les comités appartiennent à la structure même de la commission.

M. Thomson (Battleford-Kindersley): Merci.

M. Gordon: Monsieur le président, je pourrais peut-être intervenir et dire comme je l'ai indiqué dans le document, c'est que l'une des activités de la commission porte sur les tribus indiennes et sur les fourrures. C'est le nom qu'il s'est donné et qui parle de lui-même. Pour notre part, nous serions très heureux, monsieur le président, de trouver ici ou à la commission un moyen, en fait, de recommander une méthode permettant de connaître le point de vue des Esquimaux ou des Indiens au sein de ces comités.

Le président: Est-ce que vous avez fini, monsieur O'Connell?

M. O'Connell: Oui, je crois. Je pense qu'il est particulièrement important d'étudier les inscriptions qui figurent. Je sais qu'il y a beaucoup d'intérêt de la part des Indiens envers ces inscriptions et, en fait, l'inexactitude de celle de Fish Creek est telle que le régiment royal du Canada y est même impliqué étant donné que c'est sa bataille, c'est son combat.

M. Bennett: Si je peux me permettre, monsieur le président, cette inscription particulière est effectivement à l'étude et elle sera révisée très prochainement.

Le président: Monsieur Dinsdale.

M. Dinsdale: Monsieur Gordon a déclaré qu'il y a une augmentation considérable de l'intérêt public pour la préservation des lieux et monuments historiques parmi les Canadiens et j'ai remarqué dans les statistiques que l'on nous a données que de 1963-1964 jusqu'à 1968-

[*Texte*]

under development has gone up from 23 to 44. These are entirely new developments. How many of those would be considered major developments? Now, there are no additional Louisbourgs, Fort Garrys or Dawson Cities on.

Mr. Gordon: I will have to ask Mr. Bennett whether he can supply information on this.

Perhaps Mr. Dinsdale, if you will permit, with the Chairman's concurrence, we could go over the list of historic sites which we have if you could give us a few minutes, and perhaps go on to another question and then come back to this. Of that list which you are just picking up now, sir, ...

Mr. Dinsdale: We have 44 here.

Mr. Gordon: Right.

Mr. Dinsdale: The reason I am interested is because it states from 1963-64 to 1968-69 there has been an increase of 23 to 44 under development. Does that mean that the total at 44 is under active development now?

Mr. Bennett: If I may comment, Mr. Chairman, with one or two exceptions these are under active development. The exceptions refer to sites such as York Factory which we have taken over in order to stabilize it and preserve it until such time as public access is possible, at which stage it will certainly be part of our development program. In the case of very remote sites, such as York Factory, this is strictly a holding operation on which we have embarked.

Mr. Dinsdale: Yes, that was the one I had my eye on and I think Mr. Simpson also has his eye on it because it is one of the great historic sites in Manitoba which, unfortunately, has been vandalized and ransacked to a considerable degree in recent years, particularly by hunters who are now able to fly into that area in their hunting excursions. I noticed there was a press release to the effect that the deeds to York Factory were accepted by the Minister at Lower Fort Garry last July 11. What action is being taken to prevent further vandalism and theft of artifacts which have been disappearing at an alarming rate?

• 1645

Mr. Bennett: We have done several things to preserve York Factory. First of all, a party

[*Interprétation*]

1969, le nombre de projets en cours est passé de 23 à 44. Ce sont des projets absolument nouveaux. Combien peut-on en considérer comme étant des projets importants? Est-ce qu'il y a d'autres «Louisbourg», «Fort Garry», ou «Dawson City»?

M. Gordon: Eh bien, je vais devoir demander à M. Bennett s'il peut nous fournir des renseignements à ce sujet.

Peut-être, monsieur Dinsdale, si vous me permettez, avec l'accord du président, pourrions-nous laisser de côté notre liste des lieux historiques, si vous avez quelques minutes.

Nous pourrions peut-être passer à une autre question, puis revenir à cette liste que vous venez de prendre, monsieur ...

M. Dinsdale: Nous en avons 44 ici. La raison...

M. Gordon: En effet.

M. Dinsdale: La raison pour laquelle je m'intéresse à ce genre de choses, c'est que de 1963-1964 à 1968-1969, ils sont passés de 23 à 44 projets. Est-ce que cela veut dire que les 44 sont actuellement en cours d'exécution?

M. Bennett: Si je peux me permettre une remarque, monsieur le président, il y a une ou deux exceptions, mais ils sont tous en cours. Comme exceptions, nous avons par exemple la *York Factory* que nous avons pris en charge afin de la stabiliser et de la remettre en état jusqu'à ce que le public puisse y avoir accès. A ce moment-là, cela fera partie de notre projet de remise en état. Mais, en dehors de cela, dans le cas des sites très éloignés, comme York Factory, il s'agit surtout d'une opération de conservation.

M. Dinsdale: Oui, c'est exactement ce que je voulais dire, tout comme M. Simpson, parce qu'il s'agit là d'un des lieux historiques d'importance pour le Manitoba, mais malheureusement il a été pillé, des vandales l'ont saccagé au cours des récentes années, notamment des chasseurs qui peuvent se rendre dans la région en avion pendant leurs expéditions de chasse. J'ai remarqué qu'un communiqué précisait que le ministre avait accepté les titres de York Factory, le 11 juillet dernier, à Lower Fort Garry. Alors, je voudrais savoir ce que l'on pourrait faire pour empêcher les vols et autres détériorations, ainsi que les disparitions d'objets historiques comme cela s'est produit récemment.

M. Bennett: Il y a plusieurs façons de protéger York Factory. D'une part, un groupe a

[*Text*]

has gone in—it went in last summer—and has removed any easily portable artifact...

Mr. Dinsdale: That is left.

Mr. Bennett: ...that is left. We do have a lead on where some of these artifacts are and we have every reason to believe that in some instances the present owners of the artifacts will be willing to return them to York Factory at such time as York Factory is developed and opened to the public. We have also, with the aid of Indian work parties, cut all the brush around York Factory to try to minimize the fire hazard. This year we are planning to send in a team to help to stabilize the buildings.

In one place the foundation needs attention as does the roof. This year we are also going to make working drawings of York Factory to record it as it is now. We are still looking for one or two Indian families that we hope we can encourage to stay at York Factory during the spring, summer and fall in order to try to cut down the vandalism to which you refer.

Mr. Dinsdale: Does the Department expect to proceed with a major restoration in due course along the Louisbourg line, or is this something that is far in the future?

Mr. Gordon: Well, on that, sir, I think I can say that the main objective at York Factory at the moment is stabilization and protection of the site. Plans for actual development of the site, because of its remote locality and the difficulty of communications, are still some time in the future.

Mr. Dinsdale: According to the statistics the attendance figures are moving forward quite dramatically, up over a million in the last five years. I presume if we had the figures for 1967 they would be even greater than those that are presented for 1968-69—this was Centennial Year. Has there been a drop since that year or has it been...

Mr. Bennett: These figures, Mr. Chairman, do represent the 1967-68 figures. That figure of $2,518,788—there is a bracket directly below it—is the 1967-68 figure. We have not yet received complete information about the 1968-69 attendance.

Mr. Dinsdale: Now, obviously the historic sites and monuments are becoming a very integral part of our tourist industry. Are there any plans afoot to organize tours as they do in the United States, which would include visits to historic sites on an organized basis, retracing the history of Canada, par-

[*Interpretation*]

visité le lieu l'été dernier et a retiré tous les objets transportables...

M. Dinsdale: Qu'on y avait laissés.

M. Bennett: ... qu'on y avait laissés, bien sûr. Nous avons la liste de tous ceux qui ont disparu et nous avons de bonnes raisons de penser que les possesseurs actuels seront parfaitement disposés, dans certains cas, à les restituer dès que cet établissement sera remis en état et rendu au public. Avec l'aide d'Indiens, nous avons aussi réussi à couper les broussailles autour de York Factory pour essayer de minimiser les risques d'incendie. Cette année, nous prévoyons y envoyer une équipe afin d'aider à stabiliser cet édifice.

A un endroit, il faut réparer les fondations, de même que le toit. Aussi, cette année, nous allons établir les plans de York Factory pour les inscrire tels qu'ils se trouvent maintenant. Nous cherchons toujours une ou deux familles indiennes qui, nous l'espérons, nous pourrons encourager à habiter York Factory pendant le printemps, l'été et l'automne, afin de mettre fin au vandalisme dont vous avez parlé.

M. Dinsdale: Est-ce que le ministère s'attend à ce que l'on fasse les travaux de restauration, éventuellement suivant les travaux faits à Louisbourg, ou si c'est quelque chose de très éloigné.

M. Gordon: Je pense pouvoir vous dire en réponse, monsieur, que le principal objectif à York Factory, en ce moment, est de stabiliser la situation et de protéger les lieux. Le programme de développement de ces lieux, vu l'éloignement de la localité et les difficultés de communications, est encore reporté assez loin.

M. Dinsdale: Suivant les statistiques, le nombre des visites augmente de façon assez rapide, soit plus d'un million au cours des cinq dernières années. Alors, j'imagine que si nous avions les chiffres de 1967, ce serait encore plus élevé que ceux que nous avons pour 1968-1969. Ce fut l'année du Centenaire. Est-ce qu'il y a eu une baisse depuis lors?

M. Bennett: Ces chiffres, monsieur le président, représentent les données de 1967-1968. Ce chiffre de $2,518,788—il y a un crochet dessous—est celui de 1967-1968. Nous n'avons pas encore obtenu tous les renseignements à l'égard de 1968-1969.

M. Dinsdale: Donc, les lieux et les monuments historiques deviennent partie intégrante de notre industrie touristique. Est-ce qu'on songe alors à organiser des tournées comme on le fait aux États-Unis tournées qui incluraient les lieux historiques et des visites organisées, afin de retracer l'histoire du

[*Texte*]

ticularly in the Maritime region where there are a good many interesting historic sites? Is this contemplated as a tie-in with Canada's Travel Bureau?

Mr. Gordon: Yes, sir; we have had discussions with the Travel Bureau on this precise point. I paid my first visit to the historic sites in the Maritimes with Mr. Robinson who is here and certainly there is, as you suggest, a very happy interlocking of very interesting sites which, because of their location, would provide an opportunity for a cycle tour and some of this is happening spontaneously; that is, a visit to one site leads automatically to a visit to another and I think this needs to be interpreted and publicized in this way.

Mr. Dinsdale: What is the policy with respect to admissions to historic sites?

Mr. Gordon: We plan the introduction of fees at certain of the sites. We are not introducing these this year, but we have a fee structure which we propose to recommend to the Minister for consideration and which will probably be implemented in the next year.

• 1650

Mr. Dinsdale: I presume these would begin in your animated sites.

Mr. Gordon: Not necessarily so. Certainly, the animation does add to the costs and adds to the interest, but some of the sites that are static warrant at the present time, I think, a fee structure of some kind.

Mr. Dinsdale: Would you consider a fee schedule similar to those at Upper Canada Village or Fort Henry?

Mr. Gordon: I cannot really give particulars at the moment, but at the present time, at least, we are not proposing to recommend fees that are quite as high as those that are being charged at upper Canada Village.

Mr. Dinsdale: In other words, it would be nominal so as not to discourage Canadians and tourists from visiting these historic sites, and yet...

Mr. Gordon: We do not intend to make the fees prohibitive, but we do intend to charge a reasonable fee for the service we provide.

Mr. Dinsdale: Will Louisbourg be animated when completed?

[*Interprétation*]

Canada, surtout dans la région des Maritimes, où vous avez bon nombre de lieux historiques des plus intéressants? Est-ce que vous songez à un rattachement à l'Office de tourisme du gouvernement canadien?

M. Gordon: Oui. Nous avons eu des entretiens avec l'Office à cet égard. J'ai d'abord visité les lieux historiques des Maritimes, avec M. Robinson; ces lieux constituent un ensemble très intéressant et il y aurait possibilité d'y avoir une tournée, si les choses se produisaient de façon spontanée: on visite d'abord un premier lieu, et ensuite on veut se rendre au deuxième, et on fait notre publicité de cette façon.

M. Dinsdale: Quelle est votre politique pour ce qui est de l'admission aux lieux historiques?

M. Gordon: Là-dessus, monsieur le président, nous prévoyons exiger des frais d'admission pour certains des lieux historiques. Nous ne le faisons pas cette année, mais nous prévoyons faire une telle recommandation auprès du Ministre pour fins d'étude, ce qui sera sans doute mis en vigueur au cours de la prochaine année.

M. Dinsdale: J'imagine que ce sera pour les lieux où il y a reconstitution.

M. Gordon: Non, pas nécessairement. L'aspect reconstitution ajoute aux frais et à l'intérêt que l'on peut porter, mais certains des lieux statiques, même en ce moment, devraient exiger des frais d'admission.

M. Dinsdale: Quelque chose d'analogue à ce que vous avez à Upper Canada Village ou au Fort Henry?

M. Gordon: Je ne saurais vous apporter les détails en ce moment, mais nous n'avons pas l'intention d'avoir des frais aussi élevés en ce moment, qu'à Upper Canada Village.

M. Dinsdale: Autrement dit, ce serait simplement pour ne pas décourager les Canadiens et les touristes de visiter ces lieux historiques, et...

M. Gordon: Nous n'avons pas l'intention d'exiger des frais d'admission très élevés, mais quelque chose de juste et raisonnable pour les services que nous assurons.

M. Dinsdale: Est-ce qu'il y aura des reconstitutions historiques à Louisbourg lorsque ce sera terminé?

[*Text*]

Mr. Gordon: We have hopes for animation of Louisbourg, sir. Yes, indeed we have.

Mr. Dinsdale: You mentioned animation at Fort. Garry. I have not seen Fort Garry since this animation began. What is the nature of the living museum presentation at Lower Fort Garry.

Mr. Bennett: At stated hours of the day a force artillery group do drill and come out and fire a cannon outside the river gate of Lower Fort Garry. It seems to be extremely effective and always draws large crowds. We are going to have to put up a notice this year to warn people to be ready for the bang. It always fascinates me the way tourists jump about ten feet, with their cameras, when the cannon goes off. I do not know what kind of results they get.

Mr. Dinsdale: Who provides the animation, the students on summer jobs or local people?

Mr. Bennett: They are partly students, partly local militia, and we arrange with this a local group in Winnipeg.

Mr. Dinsdale: I would presume too that in animating Batoche and so forth you would rely mostly on students employed in summer jobs.

Mr. Gordon: As a matter of policy, Mr. Chairman, we have two hopes with regard to our animation program. We hope, first of all, to be able to involve local groups in connection with this, as has happened at Fort Garry and, secondly, the opportunity of course of using students is a very real one and very worthwhile—although in some areas where you are working in pockets of deprivation or poverty the animation may well take place outside of the student body itself.

Mr. Thomson (Battleford-Kindersley): Did I understand you to say that you are going to animate Batoche.

Mr. Gordon: No, I did not say that, sir. I think the question was whether we proposed to use students primarily and it was that part of the question I was discussing.

Mr. Thomson (Battleford-Kindersley): I see, You are not going to have someone marching around at Batoche replaying the scene.

Mr. Gordon: No, I was not answering the question of Batoche, I was answering the other question.

Mr. Dinsdale: I raised the point of Batoche, Mr. Chairman. I think it has good prospects. For example, it would provide summer

[*Interpretation*]

M. Gordon: Oui, nous espérons pouvoir le faire lorsque ce sera terminé.

M. Dinsdale: Vous avez parlé de reconstitution au Fort Garry. Je n'ai pas vu Fort Garry depuis qu'on a commencé cette présentation animée. De quel genre de reconstitution s'agit-il?

M. Bennett: A des heures données, les groupes d'artillerie font des exercices, tirent un canon à l'extérieur de la porte donnant sur la rivière; cela semble attirer bon nombre de visiteurs et, cette année, nous essaierons d'aviser les touristes, de se préparer, disons, à recevoir ce bruit, parce qu'ils sautent toujours une douzaine de pieds, avec leurs appareils photographiques, lorsque le canon tonne, je me demande quelles photos ils obtiennent.

M. Dinsdale: Est-ce que ce sont des étudiants ou des gens du pays qui font l'animation?

M. Bennett: Des étudiants et la milice locale, nous prenons des dispositions avec le groupe local de Winnipeg.

M. Dinsdale: J'imagine que pour la recréation de l'action de Batoche et autre vous devez compter essentiellement sur des étudiants employés pour l'été.

M. Gordon: Pour ce qui est du programme d'animation notre politique est de réaliser 2 objectifs. Nous espérons, tout d'abord, utiliser des groupes locaux, comme cela se fait à Fort Garry. Deuxièmement, avoir recours au service des étudiants est quelque chose de vraiment méritoire et de valable, bien que dans certaines régions où vous avez des secteurs de pauvreté, cette animation peut se faire à partir de cadres extérieurs à celui des étudiants.

M. Thomson (Battleford-Kindersley): A cet égard, si j'ai bien compris, vous allez animer Batoche?

M. Gordon: Non, ce n'est pas ce que j'ai dit. Je pense, que la question était de savoir si nous avions l'intention d'avoir recours essentiellement au service des étudiants.

M. Thomson (Battleford-Kindersley): Je vois. Donc, vous n'avez pas l'intention d'avoir une recréation de Batoche?

M. Gordon: Non, je ne répondais pas à la question portant sur Batoche, je répondais à l'autre question.

M. Dinsdale: J'ai soulevé la question de Batoche, monsieur le président, parce que les perspectives sont excellentes. Cela donnerait

[*Texte*]

employment for some of our Indian students if they re-enacted the battles there. I am advised we could still get Chief Bear MacLean to do it in person. If so this is all the more important. If we had an historic figure identified or associated with an historic site it would have tremendous appeal.

Mr. Gordon: We would like to animate, Mr. Chairman, in as many places as it is appropriate. It is subject of course to costs, to staff and to priorities. I would like to just add in parenthesis here that as we add sites to our program we automatically build up the continuing level of our costs in terms of operation and maintenance, and these show a progressive rise. This is inevitable as you add sites to your program. We are hoping in animation, again, through the use of local groups, volunteer groups and so on who have a legitimate interest in the tourist attraction that this offers. It provides an opportunity for local groups to make a contribution without

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inflating unduly the operational and maintenance costs related to these various sites.

Mr. Dinsdale: I do not see George Island in this list. Is there anything going on at George Island in Nova Scotia?

Mr. J. I. Nicol (Director, National and Historic Parks Branch, Department of Indian Affairs and Northern Development): Not at the moment, Mr. Chairman. There are in the Halifax defence complexes a number of separate units, of which George Island is one. We are working at the Halifax defence complex as a unit on a planned program basis, and we will get to George Island within the program period.

Mr. Dinsdale: There is some animation on Citadel Hill. What sort of animation is that?

Mr. Bennett: We mention, Mr. Chairman, Signal Hill as an example, of the kind of animation program we have, where a small-scale tattoo is put on each summer at stated periods with the aid of the local militia.

Mr. Dinsdale: There is nothing at Citadel Hill in Halifax?

Mr. L. H. Robinson (Regional Director, Atlantic Region, National and Historic Parks Branch, Department of Indian Affairs and Northern Development): No there is not except that this summer, sir, we are attempting to arrange with the local militia some

[*Interprétation*]

des emplois d'été à certains des étudiants Indiens, par exemple, s'ils représentaient ces batailles. On m'a dit que l'on pourrait avoir le chef Bear MacLean en personne. Si c'est vrai ce serait extraordinaire. L'association d'un site et d'une personnalité historiques créerait un engouement extraordinaire.

M. Gordon: Nous aimerions bien faire cette animation, dans bien des endroits, là où c'est approprié de le faire, mais il nous faut tenir compte des priorités, du personnel et du coût. Je voudrais simplement ajouter entre parenthèses que, alors que nous ajoutons des lieux à notre programme, nous augmentons le niveau de nos coûts pour ce qui est des opérations, de l'entretien et de l'administration. Et, ils augmentent de façon progressive, c'est inévitable lorsque le programme s'élargit. Nous espérons beaucoup de l'animation et de nouveau, par l'intermédiaire de groupes locaux, de groupes bénévoles, et autres qui s'intéressent vraiment à l'attrait touristique. Cela fournit à ces groupes locaux l'occasion de participer sans augmenter indûment les frais d'exploitation.

M. Dinsdale: Je ne vois pas du tout Georges Island dans cette liste. Est-ce qu'on prévoit quelque chose à Georges Island en Nouvelle-Écosse?

M. J. I. Nicol (Directeur, Service des parcs nationaux et historiques, ministère des Affaires indiennes et du Nord canadien): Pas en ce moment. Il y a à Halifax un certain nombre d'unités distinctes, et Georges Island en est une. Nous travaillons au centre des défenses d'Halifax, comme sur un tout avec un programme planifié et nous en arriverons à Georges Island éventuellement.

M. Dinsdale: Il y a animation à Citadel Hill? Quel genre d'animation avez-vous là?

M. Bennett: Nous donnons là l'exemple de programme d'animation que nous avons, il y a une petite parade militaire, présentée l'été avec l'aide de la milice locale.

M. Dinsdale: Il n'y a rien de ce genre à Halifax à Citadel Hill.

M. L. H. Robinson (Directeur régional, Région atlantique, Service des Parcs nationaux et historiques, ministère des Affaires indiennes et du Nord canadien): Non, sauf que cet été, nous essayerons d'organiser, avec la milice locale, une sorte de cérémonie de

[*Text*]

kind of a guard-changing ceremony—something on a small scale at the militia's expense.

Mr. Dinsdale: They were trying that some years ago. I think it would be a good challenge to the militia. Is any further restoration contemplated for Dawson City as an historic site? It was declared an historic site or a community, and I think it is the first of its kind in Canada.

Mr. Gordon: That is right, sir. It is in the process of the final stages of a feasibility study at the present time. We expect an announcement before too long.

Mr. Dinsdale: This Committee was in the Yukon recently and—we did visit Dawson City. It would seem that Dawson City's chief economic asset is going to be as a tourist attraction. It would appear, too, that the auditorium-theatre is the nucleus now of this tourist interest, as well as the S.S. Keno. There is a problem with respect to the old administration building being used now as a museum. There is some concern whether it would survive the construction of a new hospital. I do not know whether this is in the hands of the Historic Sites and Monuments Board of Canada but it would seem to me that to demolish the old administration building would result in the loss of a very important historic aspect of the gold-rush city.

Mr. Nicol: The problem, Mr. Chairman, with the administration building is that it will almost have to be taken down and put up again. It is on a very unstable foundation and there is some question in the minds of people there right now whether it should be occupied at all. The Historic Sites and Monuments Board met last summer in Dawson City and have made certain recommendations to the Minister, which are under study now, in connection with this matter of the historic complex at Dawson City itself. We are working, as Mr. Gordon said, on a feasibility study of how we can best meet the Board's recommendations.

Mr. Dinsdale: I understand that the daughter of Robert Service is interested in doing something with the Robert Service cabin. Would this have to be done through the Historic Sites and Monuments Board now that the department is in charge of Dawson City as an historic site or could they work through a local committee? If an individual person

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wanted to assist in a specific restoration, how could this be done? Would it have to be done through the government, through the Board or could it be done through a local committee of the community—the local council for instance?

[*Interpretation*]

relève de la garde; quelque chose de peu important, aux frais de la milice.

M. Dinsdale: Ils ont déjà essayé cela il y a quelques années. Je pense que c'est intéressant pour la milice. Est-ce qu'il y a d'autres travaux de restauration d'envisagés pour Dawson City. Ce fut déclaré lieu historique ou collectivité historique, et je pense que c'est la première de ce genre au Canada.

M. Gordon: C'est juste. Nous sommes en train de terminer les dernières étapes des études. Nous espérons pouvoir annoncer quelque chose d'ici peu.

M. Dinsdale: Ce Comité s'est rendu au Yukon récemment et nous avons visité la ville de Dawson. Il semble que le principal avoir de la ville de Dawson c'est l'attrait touristique. Il semble aussi que le théâtre auditorium est maintenant le noyau de cet intérêt touristique avec le S. S. Keno, mais il y a un problème qui se pose pour ce qui est de l'ancien édifice de l'administration, qui sert maintenant de musée. On se demande s'il pourra survivre aux travaux de construction du nouvel hôpital. Je ne sais pas si la Direction des sites historiques a été saisie de l'affaire, mais je pense que si on démolissait l'ancien édifice de l'administration nous perdrions un aspect historique des plus importants, de cette ville de la ruée vers l'or.

M. Nicol: Le problème, monsieur le président, pour ce qui est de l'édifice de l'administration, c'est qu'il faudrait pratiquement le démolir et le reconstruire. Il se trouve sur une fondation peu stable et certains se demandent même si on devrait l'occuper. La Direction des sites historiques s'est réunie l'été dernier à Dawson City, a formulé certaines recommandations au ministre, recommandations qui sont à l'étude maintenant, à l'égard de cette question du complexe historique de la ville de Dawson. Nous travaillons comme l'a dit M. Gordon, sur une étude des possibilités, pour voir comment endosser les recommandations de cette Direction.

M. Dinsdale: Si je comprends bien, la fille de Robert Service s'intéresse à faire quelque chose avec la maison de Robert Service. Est-ce que ce serait fait avec la collaboration de la Direction des sites historiques et des monuments historiques, ou est-ce qu'elle pourrait le faire par l'entremise d'un comité local? Si une personne désire, disons, venir en aide dans un travail donné de restauration, comment peut-on procéder? Est-ce qu'on doit le faire par l'entremise du gouvernement, de la Direction, d'un comité local ou du Conseil local?

[*Texte*]

Mr. Nicol: I think in this regard you have to understand first, Mr. Chairman, that the Historic Sites and Monuments Board selected certain buildings throughout the townsite, and the Service cabin was one, which would form the historic building complex. We have not tried to preserve the whole town because there are large sections in the town that are not really historic in that sense. Now, as a department we have to acquire the buildings that we consider in keeping with the Board's recommendation. Until we acquire them, of course they are still in the control of the present owners. If and when we acquire the Service cabin we would certainly very much like to work with her.

Mr. Dinsdale: So it is possible for a private citizen to participate in restoration. I think Williamsburg was entirely a private operation, was it not?

Mr. Nicol: It certainly was. It was the Rockefeller Foundation Board.

Mr. Dinsdale: What sort of co-ordination do you have with provinces working in the same field? Ontario has been very active, as indicated by Fort Henry and Upper Canada Village and other major restorations of that kind. Is there any co-ordination between Ottawa's activites and the provincial activities? If so, how is this co-ordination carried out?

Mr. Gordon: Perhaps, sir, before that question is answered and with respect to the other question you were addressing yourself to immediately prior to it, I shall draw your attention to section 3(b) of the Act as to whether this can be done, that is, to work through persons, if I may read it to you.

> The Minister may make agreements with any persons for marking or commemorating historic places pursuant to this Act and for the care and preservation of any places so marked or commemorated;

So it is not only a matter of policy but it is specifically provided for in the Act.

Mr. Dinsdale: Has Robert Service's daughter approached the department?

Mr. Bennett: Not that I am aware of.

Mr. Nicol: If I may proceed with the next question, Mr. Chairman, we work quite closely with the provincial departments which are working in the same field, and in the case of

[*Interprétation*]

M. Nicol: Je pense qu'ici tout d'abord, il nous faut bien comprendre, monsieur le président, que la Direction des sites historiques et monuments historiques a choisi certains édifices dans cette ville et la maison de Service en était une, et cela constitue un ensemble des édifices historiques. Nous n'essayons pas de préserver toute la ville, parce qu'il y a de grandes sections dans cette ville qui ne sont pas vraiment de nature historique. En tant que service, il nous faut acheter les édifices, les constructions, suivant les recommandations de la Direction. Jusqu'à ce que nous en fassions l'achat, ils sont toujours sous le contrôle de leur propriétaire. Et, lorsque nous nous porterons acquéreurs de la cabine de Service, si nous le faisons. nous aimerions beaucoup travailler avec la fille de celui-ci.

M. Dinsdale: Alors, un simple citoyen peut très bien participer au travail des restaurations. Je pense qu'à Williamsburg, ce fut à peu près exclusivement une affaire privée.

M. Nicol: C'est la Fondation Rockefeller qui l'a fait.

M. Dinsdale: Quel genre de coordination avez-vous avec les provinces qui s'engagent dans ce même domaine? L'Ontario a fait beaucoup de travail, comme on peut le voir au Fort Henry, l'*Upper Canada Village*. Est-ce qu'il y a coordination entre les travaux entrepris par le gouvernement fédéral et ceux entrepris par les provinces? Et alors, comment cette coordination s'exerce-t-elle?

M. Gordon: Avant d'y répondre, pour ce qui est de cette autre question que vous avez posée avant, je vous signalerai l'article 3 b) de la Loi afin de voir les possibilités, soit de travailler par l'entremise des personnes. Et je cite:

> Le premier ministre peut convenir avec une personne pour commémorer les lieux historiques en vertu des dispositions de cette Loi pour le soin et la préservation des endroits ainsi indiqués ou pour la commémoration.

Ce n'est pas simplement une question de politique, mais c'est prévu dans la Loi.

M. Dinsdale: Est-ce que la fille de Robert Service a communiqué avec le ministère?

M. Bennett: Non, pas que je sache.

M. Nicol: Pour ce qui est de l'autre question, nous travaillons en étroite collaboration avec les services provinciaux qui exercent des activités connexes. Pour ce qui est de

[*Text*]

Ontario, we have a pretty general agreement on those things which we will do and those things which they will do. In addition, the branch and the Historic Sites service work with local historical societies throughout the country and we try to keep in regular contact with these.

In the case of Dawson City, for instance, we are working quite closely with the Dawson City Historical Society. Again in the case of Ontario, we work very closely with the Ontario Heritage Foundation through shared cost programs. We subsidize this under the joint program.

The Chairman: Mr. Thomson.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, will we be considering these estimates tomorrow too?

The Chairman: No, this is not planned, Mr. Thomson. We would like, if it is possible, to finish items 35 and 45 on the National Battlefields Commission. These are pretty restricted areas of our total estimates and unless we limit ourselves there is just no hope of considering them properly.

Mr. Thomson (Battleford-Kindersley): Anyway I was to participate in a private member's bill but I had one or two comments in reference to Batoche and animating this and other scenes, for example Cut Knife Hill, which is in my constituency. If any members of the Indian Affairs Committee are out looking at any of the reserves—and there are five in this area: the Poundmaker, Sweetgrass, Little Pine and so on, and Cut Knife Hill is

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on the edge of these—certainly it might be worthwhile to call and see the area where Colonel Otter, of the Queen's Own Rifles from Toronto, and I believe some Ottawa units at the time, too, were involved in the actual battle. There is a certain amount of underemployment among the Indians in this area and if something even on a short-term basis were to be done to animate in connection with the North Battleford fair or something like this, a pageant if you will, I think that I or anyone else could round up some of the descendants of Poundamaker and his braves and probably participate in anything of this nature. I did want to make that comment.

Is it proper at this time, Mr. Chairman, to ask about the tents policy in Prince Albert National Park?

[*Interpretation*]

l'Ontario, nous avons une entente générale quant à ce que nous ferons et ce qu'ils feront. De plus, la Direction et le Service des lieux historiques travaillent en collaboration avec les sociétés historiques locales dans tout le pays, et nous essayons de nous maintenir en contact avec elles.

Ainsi, dans le cas de Dawson City, nous travaillons en étroite collaboration avec la Société historique de Dawson City. Et pour revenir à l'Ontario, je dirais que nous travaillons étroitement avec l'*Ontario Heritage Foundation* au moyen de programmes à coûts partagés. Le tout est subventionné grâce au programme conjoint.

Le président: Monsieur Thomson.

M. Thomson (Battleford-Kindersley): Monsieur le président, est-ce que nous étudierons ces crédits de nouveau demain?

Le président: Non, ce n'est pas prévu. Si c'est possible, nous aimerions terminer l'étude des crédits 35 et 45, la Commission des champs de bataille nationaux. Ce sont des domaines assez restreints de notre budget et à moins que l'on se restreigne, on ne pourrait jamais oser espérer les étudier convenablement.

M. Thomson (Battleford-Kindersley): Je devais participer à un bill d'intérêt privé, mais je voulais faire un commentaire ou deux au sujet de Batoche et de la reconstitution qu'on peut en faire, ainsi que d'autres scènes, comme *Cut Knife Hill* qui se trouve dans ma circonscription. Si des membres du Comité des Affaires indiennes se rendent dans les réserves, et il y en a cinq dans cette région, ce serait une excellente idée que d'aller voir l'endroit où le Colonel Otter du *Queen's Own Rifles* de Toronto et quelques unités d'Ottawa ont participé à cette bataille. Il y a une insuffisance d'emplois dans cette région pour les Indiens, et si, même à court terme, on pouvait faire quelque chose afin d'organiser la reconstitution de la foire de North Battleford, je pense qu'il serait possible de retrouver certains des descendants de Poundmaker et de ses hommes qui pourraient participer à de tels événements. Je tenais à faire ce commentaire.

Est-ce qu'il serait approprié, à ce moment, monsieur le président, de demander pourquoi on a adopté cette politique à l'égard des tentes dans le Parc national de Prince-Albert?

[*Texte*]

The Chairman: You are asking a question with regard to national parks. This is not a national historic site.

Mr. Thomson (Battleford-Kindersley): That is right. It is a national park. May I ask it another time?

The Chairman: Yes. We will be dealing with national parks later.

Thank you, Mr. Thomson. Mr. Simpson is next, and Mr. Gundlock.

Mr. Simpson: Mr. Chairman, several questions that I had have been touched upon and several have been covered fairly completely. I did want to ask—and I think this has partially been answered—whether the Board does meet from time to time in different areas of Canada and not always at Ottawa.

Mr. Gordon: That is correct.

Mr. Simpson: Someone mentioned that they met on three occasions last year. Is that correct?

Mr. Gordon: Mr. Bennett will correct me if I am wrong but the Board has been meeting twice a year normally. However, the workload has now reached the point where three meetings are contemplated. Moreover they have formed these various subcommittees and empowered them to take certain defined decisions on behalf of the Board as a whole.

Mr. Simpson: Mr. Dinsdale asked several questions in regard to York Factory and, of course, coming from Northern Manitoba that is one in which I am quite interested. I have over the last number of years been asking quite a number of questions in the House on that. I was very pleased to hear the statement that some of the artifacts that had disappeared have possibly been located and may be returned. I am glad to hear this because I know that there are a number of the artifacts still in the general area.

The ones I know of are in good hands. Some of them are in the hands of churches, which would be only too willing to return them. I am told they took them merely because if they had not taken them someone would have, so we may be fortunate in getting some of these back. I would like to ask whether the Board or the staff employed by the Board are making the necessary inquiries of outfits such as the Hudson's Bay archives.

[*Interprétation*]

Le président: Vous posez une question qui se rapporte aux parcs nationaux. Ce n'est pas un lieu historique national.

M. Thomson (Battleford-Kindersley): C'est exact. Il s'agit d'un parc national. Puis-je reposer la question plus tard?

Le président: Oui. Nous aborderons ce sujet plus tard. Merci, monsieur Thomson. M. Simpson, et ensuite M. Gundlock.

M. Simpson: Monsieur le président, bon nombre de questions que je voulais poser ont déjà été posées et d'autres ont fait l'objet de réponses assez précises. Je voulais vous demander, je pense qu'on y a répondu en partie, si la Direction se réunit de temps à autre dans différentes régions du Canada ou est-ce toujours à Ottawa?

M. Gordon: C'est exact.

M. Simpson: Quelqu'un a parlé de trois réunions l'année dernière. Est-ce exact?

M. Gordon: M. Bennett pourra me reprendre si je me trompe, mais il y a habituellement deux réunions par année. Toutefois, le travail est maintenant tel, que nous en sommes rendus au point où nous songeons à avoir trois réunions par année. Différents sous-comités ont d'ailleurs été formés qu'on autorise à prendre certaines décisions bien précises au nom de la Direction.

M. Simpson: M. Dinsdale a posé plusieurs questions au sujet de York Factory, et vu que je viens du nord du Manitoba, je m'intéresse beaucoup à la question. Au cours des dernières années, j'ai posé un certain nombre de questions à la Chambre là-dessus. J'ai été fort heureux d'entendre que certains des articles historiques qui avaient disparu ont peut-être été retrouvés et pourraient être retournés. Je suis fort aise d'entendre une telle déclaration parce que je sais qu'il y a encore un certain nombre de ces articles dans la région.

Ceux dont j'ai entendu parler sont entre bonnes mains. Certains sont dans des églises qui se feraient un plaisir vraiment de vous les rendre. On me dit qu'ils les ont pris simplement parce que, s'ils ne les avaient pas pris, quelqu'un d'autre les aurait pris. On peut peut-être se compter chanceux de pouvoir en récupérer quelques-uns. Je voudrais demander si la Commission ou le personnel à l'emploi de la Commission fait les enquêtes voulues auprès des entreprises telles que les Archives de la Compagnie de la Baie d'Hudson.

[*Text*]

I imagine that the Hudson's Bay Company archives must have a pretty fair inventory of actually what artifacts were left there when they pulled out some twelve years ago and I am hoping that the staff of the Board are in close consultation at all times with Hudson's Bay to find out just what was there and what may have to be replaced when this is reconstructed or refitted. Is this being done?

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Mr. Bennett: Yes, Mr. Chairman, it is being done. We have a very close and friendly working relationship with the Hudson's Bay Company and in particular with their archives department, and they are being very helpful to us not only in connection with York Factory but in connection with a number of the other fur trade posts that we have under development.

Mr. Simpson: That is good. As I say, I am probably being very naive when I ask a question like that but I am curious to know. I can also understand your difficulties in getting caretaker assistance at York Factory as it is isolated. I guess the nearest group of Indian people are at Shamattawa and I can understand that if you did move some in they might go back to Shamattawa the next day. But I hope you do realize that it is imperative that during certain times of the year, particularly in the few months of summer they have there, every effort should be made to get caretakers. An awful lot of stuff has disappeared now and there is some left which will disappear if it is not looked after or possibly, as you say, taken and stored somewhere.

Mr. Bennett: We are working very actively to try to find caretakers, I can assure you. As you yourself say, it is not easy.

Mr. Simpson: Within the last few years doors have been sawed up, locks have been sawed out of the doors, flooring has been taken, windows have been taken, and as you know it was certainly one of our greatest historical sites.

Well, that is fine on York Factory. Mr. Dinsdale asked a number of questions about Dawson City. Can you tell me what the status of the Robert Service Cabin is at this time? Does it belong to private individuals, or has it been taken over by the town?

Mr. Bennett: It belongs, I think, Mr. Simpson, to the Dawson City Historical Society.

[*Interpretation*]

J'imagine que les archives de la compagnie de la Baie d'Hudson ont un assez bon inventaire des articles qui s'y trouvaient lorsqu'ils s'y en sont retirés il y a douze ans. J'espère alors que le personnel de la Commission entretient d'étroites consultations avec la Compagnie de la Baie d'Hudson afin de voir ce qui s'y trouvait, ce qu'il nous faudra remplacer, voir ce qui sera aménagé à nouveau. Est-ce que vous le faites actuellement?

M. Bennett: Oui, monsieur le président. Nous avons d'excellents rapports avec la Compagnie de la Baie d'Hudson, surtout avec leur service des archives. Ils nous ont été très serviables non pas seulement en ce qui concerne York Factory, mais pour un bon nombre d'autres postes du commerce de la fourrure que nous sommes en train de réaménager.

M. Simpson: C'est excellent. Donc, je suis peut-être un peu naïf de poser une telle question, mais enfin je suis curieux. Je comprends très bien que vous éprouviez des difficultés à obtenir des services d'entretien à York Factory qui est un poste isolé. Le groupe d'Indiens le plus rapproché est à Shamattawa, et si vous les déménagez à York Factory, ils retourneront probablement à Shamattawa le lendemain. J'espère que vous vous rendez compte qu'il est essentiel à certaines périodes de l'année, surtout pendant les quelques mois d'été, qu'on s'efforce vraiment d'avoir un concierge. Car tant d'articles disparaissent, et ceux qui y sont encore pourront éventuellement aussi disparaître si on ne les surveille pas. Il serait peut-être bon de les entreposer ailleurs.

M. Bennett: Nous essayons vraiment de trouver un concierge. Comme vous le dites vous-même, ce n'est pas facile.

M. Simpson: Au cours des quelques dernières années seulement, on a scié les portes, enlevé les serrures, les planchers, les fenêtres. C'était un des principaux lieux historiques.

Voilà tout ce que j'ai à vous demander sur York Factory. M. Dinsdale a posé un certain nombre de questions sur Dawson City. Pourriez-vous me dire quel est la situation de la cabine de Robert Service en ce moment? Et aussi est-ce la propriété d'un certain particulier ou encore est-ce que ce fut acheté par la ville?

M. Bennett: Je pense que c'est la propriété de la Société historique de Dawson City.

[*Texte*]

Mr. Simpson: That is a local group?

Mr. Bennett: That is a local group.

Mr. Simpson: You will undoubtedly be as well informed on this as I am, but when we were up there as a Committee last year they told us as they probably told you, that they are very short of funds and are even concerned about keeping the place brushed out so that fire will not take it away. I understand the Robert Service Cabin is in its original shape, right now.

Perhaps I should ask you to consider giving the local people sufficient funds at least to take care of buildings such as this, which you may wish to renovate in the future. Perhaps the Board should take that into consideration.

The Chairman: Mr. Simpson, as a supplementary on that, there must be a local historical society in Dawson City. Is there not some way of subsidizing this? I take it you are suggesting giving a subsidy to this local historical society to do precisely this.

Mr. Simpson: For specific projects which the Board feels, in its wisdom may now be taken over by them, or may be desired by them at a later stage.

Mr. Nicol: Mr. Chairman, in the Department there is provision for the joint venture of the acquisition and restoration of sites of national historic importance. In this particular case we have not considered this course of action because the other feasibility study is under review and should be available shortly; and we make our decision on whether or not to acquire. I think we probably will.

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Mr. Simpson: In conclusion on this subject, may I again say that I think it would be money well spent if National Historic Sites and Monuments Board of Canada were able, through their terms of reference, to give some financial assistance so that such buildings as the Robert Service Cabin could be maintained, especially if it is just a question of a little money.

I wish to raise one further matter, relative to York Factory. Is the Board aware of the fact that, as I understand it, a group of stu-

[*Interprétation*]

M. Simpson: Donc des groupes locaux?

M. Bennett: Oui, des groupes locaux.

M. Simpson: Vous êtes sans doute aussi bien renseigné que moi là-dessus. Mais lorsque nous nous y sommes rendus l'année dernière, en tant que Comité, ils nous ont dit, tout comme ils ont dû vous le dire, d'ailleurs, qu'ils n'ont pas suffisamment de fonds et qu'il ne leur est pas facile de maintenir l'endroit en assez bon état pour éviter les risques d'incendie. Si je ne me trompe, la «*Robert Service cabin*» est encore dans sa forme originale.

Je devrais peut-être vous prier d'allouer à ces gens-là suffisamment de fonds pour qu'ils puissent entretenir et maintenir des bâtiments de ce genre, que vous aimeriez restaurer à l'avenir. La Commission pourrait peut-être prendre cette requête en considération.

Le président: M. Simpson, une question complémentaire à ce sujet. Il devrait y avoir une société historique locale à Dawson City. N'y a-t-il pas moyen de la subventionner? Je crois comprendre que vous voulez parler de subventions, qui seraient versées à cette société historique locale pour ne faire que ce travail.

M. Simpson: Oui, c'est-à-dire pour les projets dont la Commission pense en toute sagesse, pouvoir se charger tout de suite ou plus tard.

M. Nicol: Monsieur le président, le ministère dispose de mesures qui lui permettent d'entreprendre, conjointement avec d'autres, l'acquisition et la restauration de lieux d'importance historique. Dans ce cas particulier, nous n'avons pas encore envisagé de le faire, parce que, la rentabilité de l'autre projet est à l'étude et devrait nous parvenir sous peu; c'est alors que nous déciderons si nous devons l'acquérir ou pas. Je crois que nous l'obtiendrons.

M. Simpson: Comme conclusion, permettez-moi de dire, une fois de plus, que ce serait, à mon avis, de l'argent bien placé si la Commission des lieux et monuments historiques du Canada pouvait par l'entremise de ses attributions accorder une certaine aide financière pour que des lieux tels que la cabine de «Robert Service» puissent être entretenus, surtout s'il est question d'un petit montant d'argent.

J'aimerais soulever une autre question concernant notamment York Factory. J'aimerais savoir si la Commission est au courant du

[*Text*]

dents from the University of Manitoba is interested in doing some digging in the York Factory area this summer? I am not against this. In fact, I have been trying to find them some assistance in the way of grants to do this, although I have not yet managed it.

Is this contrary to the turning over of the site by the Hudson's Bay Company to the National Historic Sites and Monuments Board of Canada? Does that automatically preclude groups going in and digging? They may not be digging on the actual York Factory property; they may just be doing their studies in the vicinity.

Mr. Bennett: Mr. Chairman, we are aware of this request. When we develop a site, we do set the highest possible standards in archeology, as elsewhere, and we like to have complete control of the research that is undertaken on it.

We have advised the University of Manitoba that we feel it is premature at this time to start archeological work of this kind, because unless one is prepared to follow up with some kind of immediate stabilization and possible reconstruction the work has to be done all over again later.

In view of the fact that York Factory is not likely to be accessible to the general public in the near future, we believe that archeological work, as well as other development work at the site, should be deferred at least for the time being.

Mr. Gordon: There is one other point, Mr. Chairman. An archeological dig and the exposure of structures, and so forth, to the air involves expenditures in protecting these from the elements. This has also to be considered. Therefore, when you are ready to pursue this seriously is the best time to involve the universities or whoever may be interested in the archeology. But a dig has to be rather carefully controlled, and we have to be prepared to follow up on whatever we may expose.

Mr. Simpson: That is fine. I take it, therefore, that through discussions with the university they may decide not to do that; or if they were going to do it in an area in which

[*Interpretation*]

fait que, d'après ce qu'on m'a dit, un groupe d'étudiants de l'Université du Manitoba, si je comprends bien, voudraient effectuer quelques fouilles dans cette région pendant l'été. Personnellement, je ne m'y oppose certainement pas. En fait, j'aimerais qu'ils puissent obtenir une certaine aide, sous forme de subventions mais malheureusement je n'y suis pas encore parvenu. Je voudrais savoir si cela n'est pas contraire au transfert de l'endroit par la Compagnie de la Baie d'Hudson à la Commission des lieux et monuments historiques du Canada. Cela exclut-il automatiquement des groupes d'aller et d'y effectuer des fouilles? Il se peut qu'ils ne fassent pas de fouille dans la région même, mais simplement aux environs. Je ne sais pas exactement.

M. Bennett: Monsieur le président, nous sommes au courant de cette demande. Lorsque nous mettons en valeur un lieu historique, nous fixons des normes des plus élevées en matière d'archéologie, comme ailleurs, et nous préférons avoir le plein contrôle des travaux de recherche qui ont lieu sur le terrain.

Nous avons informé l'Université du Manitoba que nous pensons que, pour le moment, il est prématuré d'entreprendre des travaux archéologiques de cette nature parce que, à moins d'être disposé à poursuivre ces travaux avec une sorte de stabilisation ou peut-être de reconstitution, on sera forcé de reprendre le travail plus tard. Étant donné que York Factory ne sera probablement pas accessible au public dans l'avenir immédiat, nous pensons que les activités archéologiques et autres devraient être remises à plus tard, du moins pour l'instant.

M. Gordon: Une autre question, monsieur le président. Il faut considérer qu'une fouille archéologique ainsi que l'exposition à l'air libre des structures et autres parties entraînent nécessairement des dépenses pour protéger ces objets contre les éléments. Par conséquent, lorsque le moment viendra pour entreprendre sérieusement ces travaux, il serait bon de faire intervenir les universités et autres organismes qui s'intéressent à l'archéologie. Mais une fouille archéologique doit être étroitement surveillée et nous devons être en mesure de nous occuper des objets découverts.

M. Simpson: C'est très bien. J'en conclus que l'université peut décider de ne pas participer aux travaux; ou bien, si elle décidait d'entreprendre des fouilles dans un secteur

[*Texte*]

they had to have permission of the Board then they are being prevented.

My next point did not come from anyone in charge of that group, but from one of the students. What happens if a group of archeological students decides to come in from the United States and starts digging around there? Would they have to have permission from someone in the Manitoba government to do this? I do not think they would.

Mr. Gordon: This has been declared a historic site and the Act does provide the means of control. We certainly would not favour a group of students from an American university. We would hope to involve one of our own universities, if at all possible.

• 1720

Mr. Dinsdale: Mr. Chairman, I have a supplementary. Is there not legislation now to prevent the theft of historical artifacts by archeologists operating from outside Canada?

Mr. Nicol: Not really; the legislation is pretty cloudy. We do not think there is adequate protection.

The protection that we have, of course, is ownership of the property, and we can prevent anybody from entering unless we so wish. This is a matter that has been of some concern to the Federal-Provincial Conference on Historical Resources Development, which is a conference of officials of the provinces and the federal government.

Mr. Dinsdale: But in actual fact there could be prosecution for trespass on property. I know that many very valuable artifacts are disappearing in this way. I was under the impression that action had been taken to stop the loss.

Mr. Bennett: I am afraid there is very little, Mr. Chairman, that I can add to what Mr. Nicol has said. The existing legislation is cloudy and does not give the protection we would like to have. It is particularly difficult to enforce in an area as remote as York Factory. We can control this in sites closer to centres of communication where we have staff on hand. But in these very remote sites it is almost impossible to control, until we bring in caretakers.

Mr. Dinsdale: But some of the losses were not in the remote sites. Parties were coming

[*Interprétation*]

qui requiert l'autorisation de la Commission, on les empêche de le faire. Mon prochain argument ne provient pas d'une personne chargée de ce groupe, mais bien d'un des étudiants. Que se passerait-il si un groupe d'étudiants archéologues venait des États-Unis, et commençait à entreprendre des fouilles autour des bâtiments? Est-ce qu'ils devraient avoir l'autorisation du gouvernement du Manitoba pour le faire? Je pense que non.

M. Gordon: Ce lieu a été déclaré lieu historique et la loi prévoit des moyens de surveillance. Nous ne favoriserions certainement pas un groupe d'étudiants d'une université américaine, nous préférerions que ce soit une université canadienne, si jamais c'est possible.

M. Dinsdale: Monsieur le président, j'ai une question supplémentaire. Est-ce qu'il n'y a pas actuellement une loi qui empêche le vol d'objects historiques par des archéologues venant de l'extérieur?

M. Nicol: Monsieur le président, pas exactement. La loi est assez vague: nous ne pensons pas qu'il y ait une protection suffisante actuellement. La seule protection que nous avons c'est la possession, bien sûr, de la propriété du terrain et nous pouvons empêcher quiconque d'y entrer si nous le voulons. Mais, c'est là une question qui a beaucoup intéressé la conférence fédérale provinciale sur la mise en valeur des lieux historiques qui est une conférence réunissant les fonctionnaires des provinces et du gouvernement fédéral.

M. Dinsdale: Mais, ou pourrait réellement poursuivre quiconque pénètre illégalement ces propriétés. Je sais qu'un grand nombre d'objets de valeur historique disparaissent de cette façon et je croyais qu'on avait pris des mesures pour empêcher ces pertes.

M. Bennett: Je crains qu'il y ait très peu à ajouter à ce que M. Nicol a dit. La loi actuelle est très floue et n'offre pas la protection que l'on voudrait avoir, et il est particulièrement difficile de l'appliquer dans des régions aussi éloignées que York Factory. On pourrait surveiller des lieux plus proches des moyens de communications, lorsque nous avons du personnel à proximité. C'est dans ces lieux très éloignés qu'il nous est difficile de faire quoi que ce soit, tant que nous n'aurons pas un responsable sur place.

M. Dinsdale: Mais certaines de ces pertes ne sont pas survenues dans les régions éloi-

[*Text*]

in and digging at random, having a merry old time, and running off with all the artifacts.

Could I ask a legal question? I do not know whether any of you gentlemen are lawyers. Whose jurisdiction is this, the province or Ottawa?

Mr. Gordon: Well, if the site has been declared a national historic site, then through the federal Act we have control. Otherwise the legislation is provincial, I believe, and it is on the provincial statutes that we must rely.

Mr. Dinsdale: And not all provinces have moved to protect themselves.

Mr. Gordon: I understand that Newfoundland has legislation. But of course, over and above the legislation itself in the more remote areas there is the problem of policing this matter.

Mr. Gundlock: A supplementary question, Mr. Chairman. Regardless of provincial and federal jurisdiction, certainly property is property. Is it not properly protected, regardless of jurisdiction?

Mr. Gordon: I could not disagree with that principle. I think there is a problem...

Mr. Gundlock: Well, I am just asking a question.

Mr. Gordon: Yes. It is a question of ownership here, sir, and the ownership of this...

Mr. Gundlock: Have you not complained?

Mr. Gordon: Well, again I have to go back to the property, which federally we own. If in our liaison with the provinces we find there has been despoliation or plundering of sites...

Mr. Gundlock: Which you know has been done.

Mr. Gordon: ...which has been done, then we have an avenue here of representation to the provincial authorities, and normally they are prepared to do whatever their legislation permits.

Mr. Gundlock: This is what I asked. Have you not complained?

Mr. Gordon: With respect to which site?

Mr. Gundlock: The site we are talking about.

[*Interpretation*]

gnées. Il suffit tout simplement d'arriver, de faire des fouilles, de bien s'amuser et de partir avec des objets historiques.

Est-ce que je pourrais vous poser une question juridique? Je ne sais pas si vous êtes des juristes, Messieurs, mais est-ce que cela relève de la compétence de la province ou du gouvernement fédéral?

M. Gordon: Si l'endroit a été déclaré lieu historique national, nous en avons le contrôle en vertu de la Loi fédérale, autrement la loi est d'ordre provincial, et c'est en fonction des lois des provinces que nous devons agir.

M. Dinsdale: Et les provinces n'ont rien fait pour se protéger?

M. Gordon: Certaines l'ont fait. Je crois savoir que Terre-Neuve l'a fait. Mais bien sûr, en dehors des questions de législation, il y a dans les régions les plus éloignées une question de police, de surveillance.

M. Gundlock: Monsieur le président, j'ai une question supplémentaire. En dehors des questions de compétence fédérale et provinciale, un bien est un bien. Est-ce qu'il n'est pas correctement protégé, quelle qu'en soit la juridiction?

M. Gordon: Je ne voudrais pas aller contre ce principe. En fait, il s'agit d'une question..

M. Gundlock: Je pose seulement une question.

M. Gordon: Oui. Il s'agit ici d'une question de propriété, monsieur, et la propriété de...

M. Gundlock: Mais est-ce que vous n'avez pas déposé des plaintes?

M. Gordon: Encore une fois, il faut revenir à ce lieu que nous possédions, en vertu de la loi fédérale. Si, avec les provinces, nous découvrons qu'il y a eu vol ou pillage sur des lieux...

M. Gundlock: Dont vous connaissez l'existence.

M. Gordon: . .nous pouvons alors nous adresser aux autorités provinciales, et, normalement, elles sont disposées à faire tout ce que leurs lois les autorisent à faire.

M. Gundlock: C'est pourquoi j'ai demandé: vous n'avez jamais déposé de plaintes?

M. Gordon: A l'égard de quel lieu?

M. Gundlock: De celui dont on parle.

[*Texte*]

Mr. Gordon: York Factory?

Mr. Gundlock: Yes.

Mr. Gordon: Well, apart from the difficulty of the limitations in provincial legislation, there is the problem of policing this at the present time. This is now a historic site, of course.

Mr. Gundlock: In respect to policing, have you not put forth a complaint to the people who have the proper jurisdiction?

• 1725

Mr. Gordon: Most of the plundering of York Factory went on prior to our acquiring it as a national historic site.

Mr. Gundlock: Yes, but after that, have you made no complaint?

Mr. Gordon: I would have to ask the...

Mr. Bennett: Mr. Chairman, we took over this site only last July, and as has already been stated, we have not been able to get caretakers in there on a permanent basis. We are not aware of any vandalism or plundering since last July. Until that time the site was owned by the Hudson's Bay Company, and it was really up to them, because they owned it, to try and keep control of their own assets.

Mr. Gundlock: Have you asked for protection of the site and property?

Mr. Bennett: We are trying to provide our own by finding Indian caretaker families to move in, but it is extremely difficult to find them. And unless we can find a caretaker family to move in, the site is so remote that it is almost impossible to give protection of the kind you are suggesting.

Mr. Gundlock: Oh, no. As I understand these things, if you had asked for protection or complained, you would have it.

Mr. Gordon: Mr. Chairman, one of the important reasons for acquiring this as a national historic site was to enable us to provide protection and stabilization.

Mr. Gundlock: Where did that part of the agreement come from?

[*Interprétation*]

M. Gordon: York Factory?

M. Gundlock: Oui.

M. Gordon: En dehors des limites de la loi provinciale, il y a un problème supplémentaire. C'est le problème de la surveillance. C'est maintenant un lieu historique, bien sûr.

M. Gundlock: Maintenant, pour cette question de surveillance précisément, avez-vous déposé une plainte auprès des gens qui sont responsables?

M. Gordon: Dans la plupart des cas, le pillage de York Factory a eu lieu avant que cela nous appartienne comme lieu historique.

M. Gundlock: Mais après, est-ce que vous n'avez pas déposé une plainte?

M. Gordon: Eh bien, il faudrait que je demande à ..

M. Bennett: Monsieur le Président, nous n'avons pris possession du lieu qu'en juillet dernier et, comme on l'a déjà dit, nous n'avons pas encore pu trouver de responsables sur place, en permanence. Nous ne sommes pas au courant d'actes de vandalisme ou de pillage, depuis juillet dernier. Avant, l'endroit appartenait à la compagnie de la Baie d'Hudson, et c'était à elle de faire toute la surveillance.

M. Gundlock: Est-ce que vous avez demandé un service de protection de ces lieux?

M. Bennett: Nous cherchons à fournir notre propre service de surveillance en cherchant une famille indienne, mais cela est très difficile à faire. A moins de trouver une famille indienne, l'endroit est tellement éloigné qu'il est presque impossible de trouver une protection semblable à ce que vous voulez dire.

M. Gundlock: Oh, non! D'après ce que je crois comprendre, si vous demandiez une protection ou si vous déposiez une plainte, vous obtiendriez satisfaction.

M. Gordon: Monsieur le président, je dois dire ici que l'une des raisons importantes pour lesquelles on acquiert un terrain comme cela pour en faire un lieu historique national, c'est d'en assurer la restauration et la protection.

M. Gundlock: D'où vient cette partie de l'accord?

[*Text*]

Mr. Gordon: It was a recommendation of the Historic sites and Monuments Board after representations had been made to it.

Mr. Gundlock: Well, you are beside the point here in a discussion of protection of property. A recommendation of the Board...

Mr. Gordon: Well, I think all I can say...

Mr. Gundlock: ...has nothing to do with protection of property regardless of whether the Crown owns it or a private individual owns it, or anyone else. Whether you find native people to look after it—I do not think that is the point, Mr. Chairman, in all deference.

The Chairman: Mr. Gundlock, you had another question which you indicated you wanted to ask.

Mr. Gordon: Well, I would like to have one more answer on this.

Mr. Gordon: Well, sir, perhaps I could just say this. I understand your concern is with respect to what could well be presumed to be an important and significant site...

Mr. Gundlock: Well, even if it is a small one.

Mr. Gordon: ...and where it comes to our attention federally that this site is being despoiled and plundered by unauthorized persons. If it lies within a province, our avenue of approach here would be to speak to our friends in the province and draw it to their attention if they did not already know of it, because the competence lies within provincial legislation and provincial enforcement, and I am sure they would do whatever they could to protect the site. Not only are the federal and provincial governments involved, but there are local historical societies who are very accute and alive to this kind of thing.

Nevertheless, I have to say that in the more remote areas it is very difficult, because of lack of policing, to keep control over this, and as was said previously, the legislation itself, from a legal point of view, is a little cloudy in this matter.

Mr. Gundlock: This is the point, Mr. Chairman. Whether it is remote or not, we are still entitled to protection from the law.

The Chairman: Perhaps, Mr. Gundlock, we can ask a supplementary question of Mr. Gordon. Has any consideration been given to amending the Criminal Code to make it a

[*Interpretation*]

M. Gordon: C'était à la suite d'une recommendation de la Commission des lieux et monuments historiques, après qu'on eut fait des représentations auprès de la Commission.

M. Gundlock: Vous vous écartez du sujet en parlant de protection de la propriété. Une recommandation de la Commission...

M. Gordon: Tout ce que je peux dire...

M. Gundlock: ...n'a rien à voir avec la protection des biens, qu'ils appartiennent à la Couronne ou à un individu; que vous trouviez des indigènes pour les surveiller, là n'est pas la question, monsieur le président.

Le président: Monsieur Gundlock, vous avez une autre question à poser, semble-t-il?

M. Gundlock: Eh bien, j'aimerais que l'on me donne une autre réponse à ce sujet.

M. Gordon: Monsieur, je crois comprendre que vous vous préoccupez d'un lieu historique important ou présumé important...

M. Gundlock: Même s'il est petit.

M. Gordon: ...et lorsqu'on nous en parle au niveau fédéral, c'est-à-dire lorsqu'on nous dit que cet endroit est pillé ou saccagé, notre manière de procéder serait alors de nous mettre en contact avec les responsables provinciaux et d'attirer leur attention, si ce n'est déjà fait, parce que la loi est une loi provinciale et l'application de cette loi relève de la compétence de la province. Et je suis convaincu qu'ils prendraient toutes les mesures possibles pour protéger ce lieu. Non seulement s'agit-il là des gouvernements provinciaux et fédéral, mais il y a aussi des sociétés historiques locales qui sont très intéressées par ces questions.

Mais il n'en reste pas moins que, dans les régions les plus éloignées, je dois vous avouer qu'il est très difficile, en raison du manque de surveillance, de contrôler cela, et, comme je l'ai déjà dit, au point de vue juridique, la loi est assez vague à ce sujet.

M. Gundlock: Monsieur le président, que la région soit éloignée ou non, nous devons bénéficier malgré tout de la même protection, en vertu de la loi.

Le président: Monsieur Gundlock, nous pourrions peut-être poser une question supplémentaire à M. Gordon. Est-ce que l'on a envisagé par exemple de modifier le Code

[*Texte*]

criminal offence to remove artifacts from the national historic site areas?

Mr. Gundlock: I can answer that, Mr. Chairman. No amendments are necessary.

• 1730

An hon. Member: We have to catch them though.

Mr. Gundlock: You are not going to catch them if you do not ask someone to look for them.

Mr. Dinsdale: Could I ask a supplementary question, Mr. Chairman. I would presume that since the Department has taken this York Factory site over, you are now displaying large formidable signs saying that it is prohibited to remove artifacts, and you will be hung from the high tower if you are caught, and so forth?

Mr. Bennett: I can say, Mr. Chairman, having visited the site myself in July, that such a sign is up there. I found in July that the best possible protection was the swarms of deer flies and mosquitoes.

Mr. Dinsdale: Is that sign displayed in Eskimo and Indian, French and English?

Mr. Marchand (Kamloops-Cariboo): They do not steal.

Mr. Dinsdale: Touché.

Mr. Simpson: I have taken up too much time of the Committee already, but on this one point, I would suggest that particularly during the recognized open goose-hunting season, every effort be made to have a caretaker there because I know people who go in there, and I hear of things that certain crews have taken out. That is one particular time of the year.

I have no knowledge of vandalism by any industrial outfits working in that area, but there is a lot of exploration going on for oil in the area; in fact, one of the main camps was supposed to have been located near York Factory but I think they changed their plans.

I would hope that the movements and setting up of camps in that area would be kept in mind, and possibly a very nice letter written to the oil people in charge of the exploration asking them to keep their eyes on it for the National Historic Sites.

[*Interprétation*]

criminel afin de rendre délit criminel le vol d'objets historiques d'un lieu historique national?

M. Gundlock: Monsieur le président, je peux vous répondre simplement en vous disant qu'il n'est pas nécessaire de modifier la loi.

Une voix: Il suffit d'attraper les coupables.

M. Gundlock: Vous ne les attraperez pas à moins de demander à quelqu'un de les rechercher.

M. Dinsdale: Puis-je poser une question complémentaire, monsieur le président? Je suppose que, étant donné que le ministère a pris possession de York Factory, vous devez avoir d'immenses panneaux qui indiquent clairement qu'il est interdit d'enlever des objets et que toute personne qui le fera sera pendue, et ainsi de suite.

M. Bennett: Après avoir visité cet endroit en juillet, je puis dire qu'il y a une affiche de ce genre; mais je dois dire que j'ai alors constaté que la meilleure protection possible contre ce lieu historique, c'était les mouches noires et les maringouins.

M. Dinsdale: Est-ce que cette affiche est rédigée en français, en anglais, en esquimau, en indien?

M. Marchand (Kamloops-Cariboo): Ils ne volent pas.

M. Dinsdale: Touché!

M. Simpson: J'ai pris trop de temps déjà, mais je voudrais également dire que, particulièrement pendant la saison de chasse à l'oie, il faudrait faire tout ce qui est en votre pouvoir pour y mettre un gardien, et moi je connais des gens qui vont sur place et des équipes entières qui se sont installées là-bas.

Il y a d'autres époques de l'année où il n'y a pas de vandalisme de la part des entreprises industrielles qui travaillent dans la région. Et il se fait beaucoup de recherches pétrolières dans cette région. D'ailleurs, le camp principal devait être installé près de York Factory mais ils ont changé d'idée.

J'espère qu'on tiendra compte du mouvement et de l'érection des camps dans la région et, peut-être écrire une lettre gentille aux sociétés pétrolières chargées de ces forages afin de leur demander de tenir compte des lieux historiques.

[*Text*]

Mr. Gordon: You will be happy to know, sir, that we have, in fact, done this in a number of instances where we know that oil and mineral exploration generally is going in. Where it is adjacent to historic sites we have asked for the co-operation of the company.

The Chairman: Mr. Gundlock, did you have a further question?

Mr. Gundlock: I do not want to seem facetious Mr. Chairman, but listening a while ago about the close liaison and co-ordination between the branch of tourism and Historic Sites, it takes me back—I never want to forget it, as a matter of fact—to a conversation with Senator Mansfield from Montana, a U. S. Senator, who said: "Well, why do you people not pave the Alaska Highway and trade a corridor from Whitehorse to the ocean?", and I mentioned this in Whitehorse.

In talking about historic sites it would probably be the greatest one that Canada ever saw and probably would promote tourism greater than any other. It is worth a thought and I just want to put it on record, Mr. Chairman.

The Chairman: Thank you, Mr. Gundlock. Mr. Marchand?

Mr. Marchand (Kamloops-Cariboo): I just have a very short question, Mr. Chairman. They are talking about hiring students this summer and there is a lot of concern about hiring university students now. Last year was a particularly lean year for students trying to find employment. I wonder how many students will be hired by the National Historic Sites people this year compared with last year? Does the employment picture look a little better?

• 1735

Mr. Nicol: I think, Mr. Chairman, the answer is that probably the picture will be exactly the same as last summer. Many of the students are hired locally through the Manpower centres, so we do not have a complete picture of all the students that are working for us in the field at the beginning of the summer. There is certainly nothing in our budget of our operation for the coming summer that is going to change things drastically from last summer.

Mr. Dinsdale: I have one further question, Mr. Chairman. In connection with the fundamental research that goes on before development takes place, the policy statement indi-

[*Interpretation*]

M. Gordon: Vous serez heureux d'apprendre, monsieur, que nous avons fait cela à plusieurs reprises lorsque nous savions que des forages pétroliers, des explorations de minéraux étaient en cours. Lorsqu'ils étaient près de sites historiques, nous avons fait tout ce qu'il fallait pour les prévenir.

Le président: Monsieur Gundlock, est-ce que vous avez une autre question à poser?

M. Gundlock: Je ne voudrais pas faire de l'esprit, monsieur le président, mais en entendant parler de liaison et de coordination étroite entre le service touristique et le service des sites historiques, cela me ramène en arrière. Je ne veux jamais l'oublier d'ailleurs. Cela me rappelle une conversation que j'avais eu avec le sénateur Mansfield des États-Unis, le sénateur du Montana, qui disait: «Pourquoi est-ce que vous ne pavez pas la route de l'Alaska afin de l'échanger contre un couloir entre Whithorse et l'océan?»

En parlant de lieux historiques, je pense que ce serait le plus important au Canada et favoriserait plus le tourisme que tout autre au Canada. Je pense que c'est une chose dont il faudrait tenir compte et indiquer au compte rendu, monsieur le président.

Le président: Merci, monsieur Gundlock. Monsieur Marchand.

M. Marchand (Kamloops-Cariboo): Une question très brève, monsieur le président, en ce qui concerne le recrutement des étudiants cet été. On se préoccupe beaucoup, en ce moment, d'embaucher les étudiants universitaires. L'année dernière a été particulièrement mauvaise pour les emplois d'été des étudiants. Je voudrais savoir le nombre d'étudiants qui seront embauchés par les services des lieux et monuments historiques cette année par rapport à l'année dernière? Est-ce que les perspectives sont meilleures?

M. Nicol: Monsieur le président, je pense que la situation sera exactement la même que l'été dernier. Beaucoup d'étudiants sont embauchés localement par l'entremise des Centres de main-d'œuvre, de sorte qu'on n'a pas une idée complète du nombre d'étudiants qui travaillent pour nous sur les lieux au début de l'été. Certainement, il n'y a rien dans notre budget ni dans notre activité estivale qui changera vraiment la situation par rapport à l'été dernier.

M. Dinsdale: Encore une autre question, monsieur le président. Dans le cadre des recherches fondamentales qui ont lieu actuellement avant d'entreprendre les travaux d'a-

[*Texte*]

cates that this research involves documentary, architectural and archaeological research. There has been a shortgage of professional people in all these categories in Canada. How are you finding these experts in order to carry out the research that is necessary before a historic site is proceeded with?

Mr. Nicol: I think the answer to that, Mr. Chairman, is the shortage continues. As the interest of Canadians and certainly our visitors from the south increases every year, we are competing not only with the provinces but with foundations and other organizations for the necessary research staff. It is not possible for the Branch to recruit sufficient research officers to do all of the research that is required, not only for the Board papers but also for our own operational requirements.

Therefore, where we cannot obtain sufficient researchers on the staff—and this is caused by some people's reluctance to work for the government as well as the availability of the people—we are contracting with departments of universities and university staff themselves in order to supplement the staff that we have on the organization full-time.

Now, in some cases it has been necessary—and it seems it is going to continue for some time—to obtain researchers from the American universities, especially in the field of archaeology, because there are just not enough Canadians available.

Mr. Dinsdale: And the United Kingdom?

Mr. Nicol: And the United Kingdom.

Mr. Dinsdale: Have you access to the archaeological resources of the museums? They have archaeologists on their staffs. Is there any co-ordination between these two branches of governement?

Mr. Nicol: I think the answer there, Mr. Chairman is that the head of our research division works very closely with Dr. Taylor. They have their programs which at times they have difficulty staffing too, but we do not find ourselves bidding for the same people, trying to outbid each other. Mention was made earlier of the close co-ordination; this is one example of it.

Mr. Dinsdale: Do you have access to all the data that they have?

Mr. Nicol: That is right.

[*Interprétation*]

ménagement, la politique établie indique qu'il s'agira de travaux archéologiques, documentaires et architecturaux. On manque en général de cadres dans tous ces services. Je voudrais savoir comment vous pouvez obtenir les experts nécessaires pour faire les recherches qui sont nécessaires sur un site historique?

M. Nicol: Monsieur le président, je pense que pour répondre on peut dire que la pénurie se poursuit au fur et à mesure que l'intérêt des Canadiens et de nos visiteurs du sud augmentent chaque année, non seulement nous rivalisons avec les provinces mais également avec les fondations et d'autres organizations pour obtenir les chercheurs nécessaires. Il n'est pas possible que la Direction puisse recruter tous les chercheurs nécessaires, non seulement pour les études du Conseil, mais également pour nos propres activités.

Par conséquent, lorsque nous ne pouvons pas obtenir suffisamment de chercheurs en permanence, soit parce que certains hésitent à travailler pour l'État ou bien parce qu'il n'y en a pas, nous passons un contrat avec les facultés universitaires et avec les professeurs de l'université eux-mêmes afin de compléter notre personnel.

Dans certain cas, il a été nécessaire, et il semble que ce sera le cas pendant un certain temps, d'obtenir des chercheurs d'universités américaines, notamment en archéologie, parce qu'il n'y a pas suffisamment de Canadiens pour le faire.

M. Dinsdale: Et au Royaume Uni?

M. Nicol: Oui, au Royaume Uni aussi.

M. Dinsdale: Est-ce que vous pouvez disposer des ressources archéologiques des musées? Ils ont des archéologues parmi leur personnel. Est-ce qu'il y a une coordination entre ces deux services d'État?

M. Nicol: Eh bien, je pense que la réponse c'est que le chef de notre service de recherches travaille en étroite collaboration avec le Dr Taylor. Ils ont leurs programmes pour lesquels ils ne trouvent pas suffisamment de personnel, mais nous n'avons pas les mêmes besoins, de sorte qu'on n'entre pas en concurrence. On a parlé déjà précédemment d'étroite collaboration et voilà ce dont je voulais parler.

M. Dinsdale: Autrement dit, vous avez accès aux mêmes données qu'eux?

M. Nicol: C'est exact.

[*Text*]

Mr. Dinsdale: Or you might be able to use them. If you were researching at a certain site would you have access to their services?

Mr. Nicol: Yes, where this is practical, but you must remember that The National Museums of Canada concentrate more on prehistoric archaeology, whereas we are interested mainly in historic archaeology.

Mr. Gordon: I think it is true to say, sir, nevertheless that the availability of researchers is very definitly one of the limitations which we have to take into account in establishing priorities. There has been an increase in the availability of these staffs and we have tapped the U.K. and the U.S. market as well, but nevertheless it is a limitation. They are increasing but the demand for these people similarly is going up.

Mr. Dinsdale: Is there any university in Canada that is preparing people in these fields?

Mr. Bennett: Yes, Mr. Chairman; there are several universities. I cannot tell you exactly how many, but certainly I know that the University of Toronto, the University of Manitoba, the University of Calgary and also, I think, the University of British Columbia have archeological degree courses and I am sure there are others. I cannot tell you, I am afraid, without checking exactly what others there are, but I know of those.

• 1740

Mr. Dinsdale: I suppose if you can get hold of a graduate student in these fields you will hire him for the summer in the hope that he will be persuaded to stay on.

Mr. Bennett: Correct.

The Chairman: Mr. Borrie, do you have a question?

Mr. Borrie: Yes, Mr. Chairman. Does the Historic Sites Service also assist in the acquisition and maintenance of artifacts? Perhaps I could explain this a little further. From mile zero on the Alaska Highway in to the Whitehorse area there is a group that has concerned itself with obtaining artifacts from the old Alaska Highway and from the trails through there. They are very interested in acquiring assistance for the housing of the artifacts as well as their acquisition and maintenance. Is any assistance possible through the Department for this purpose, or does it have to be an historical site before any recognition is given?

[*Interpretation*]

M. Dinsdale: Et vous pourriez même vous en servir. Si vous entreprenez des recherches à un site donné, pourriez-vous bénéficier de leurs services?

M. Nicol: Oui, si c'est pratique. Mais n'oubliez pas que les Musées nationaux du Canada se centrent davantage sur l'archéologie préhistorique, alors que nous nous intéressons surtout à l'archéologie historique.

M. Gordon: Je pense que malgré tout on peut dire, monsieur, que les chercheurs sont en nombre très limité et qu'il faut tenir compte de ce fait lorsqu'on établit les priorités. Il y a une augmentation du nombre de ces spécialistes disponibles et nous nous sommes également tourné vers le Royaume Uni et les États-Unis, mais c'est néanmoins une limitation. Leur nombre croit, mais la demande augmente également.

M. Dinsdale: Est-ce qu'il y a des universités au Canada qui préparent des spécialistes dans ces domaines?

M. Bennett: Oui, monsieur le président, il y a plusieurs universités. Je ne peux pas vous dire exactement combien, mais je sais que l'Université de Toronto, l'Université du Manitoba, l'Université de Calgary et je crois également l'Université de la Colombie-Britannique offrent des cours en archéologie. Et je suis certain qu'il y en a d'autres. Je ne peux pas vous dire exactement; je vérifierai, mais je sais qu'il y en a certainement d'autres.

M. Dinsdale: Je suppose que si vous pouviez vous assurer les services d'un diplômé qui vient de terminer ses études en ces domaines, pour l'été, vous tenteriez par la suite de le persuader de rester, n'est-ce pas?

M. Bennett: Oui.

Le président: M. Borrie, une question?

M. Borrie: Oui, monsieur le président. Est-ce que le service des lieux historiques participe également à l'acquisition et à l'entretien des objets historiques? Si vous voulez, je peux vous expliquer un peu plus. Disons qu'à partir du premier mille de la route de l'Alaska jusqu'à Whitehorse, un groupe se serait chargé d'acquérir un certain nombre d'objets historiques et qu'ils voudraient obtenir de l'aide pour les entreposer, les conserver et les acquérir. Est-ce que vous croyez qu'ils peuvent s'adresser à votre service ou qu'il faudrait qu'il s'agisse d'un lieu historique avant d'être admissible?

[*Texte*]

Mr. Nichol: I think the answer to that, Mr. Chairman, is that there has to be an historic site of national significance involved before our terms of reference permit us to participate.

Mr. Borrie: I see; yes.

Mr. Gordon: It seems, sir, that this might be a little closer to the kind of activity that the National Museum might be able to help with.

Mr. Borrie: Thank you.

Mr. Dinsdale: I have a supplementary, Mr. Chairman. The old Buffalo jump in Alberta was before the Historic Sites and Monuments Board a number of years ago, which is one of the great places where the Indians slaughtered the buffalo; there is also the stock mound in Manitoba where they uncovered all sorts of interesting Indian artifacts—it was an Indian burial ground. Are they not regarded as suitable for classification as historic sites and monuments?

Mr. Bennett: Mr. Chairman, these certainly are, particularly the Buffalo jumps. We have been examining two alternative Buffalo jump sites in Alberta on the recommendation of the Historic Sites and Monuments Board of Canada. At the moment, we are in discussions with the Alberta government so that we can try to develop one or other of the sites. I can assure you that we are extremely interested in the prospects of developing a buffalo jump site, but certain problems relative to underground rights have to be cleared up first.

An hon. Member: How are you going to animate that?

Mr. Bennett: And I do not mean underground Indian rights, either.

Mr. Gundlock: Do you mean mineral rights?

Mr. Gordon: Relative to what Mr. Borrie and Mr. Dinsdale asked, as I understood it on mile zero up to Whitehorse there is a whole series of artifacts over a very broad geographic span.

Mr. Borrie: To be gathered in.

Mr. Gordon: That is right.

Mr. Borrie: To be brought into one central point.

Mr. Gordon: In the case of these buffalo jump sites they are focused right in on a

[*Interprétation*]

M. Nicol: Eh bien, pour répondre à votre question, il faut dire qu'il est nécessaire qu'il s'agisse d'un lieu historique d'importance nationale avant que notre mandat nous permette d'y participer.

M. Borrie: Je vois; oui.

M. Gordon: Il semblerait que ce serait là quelque chose qui relèverait plutôt du Musée National.

M. Borrie: Merci.

M. Dinsdale: Une question complémentaire, si vous le permettez, monsieur le président. Le vieux saut des bisons en Alberta a été soumis au Conseil des lieux et monuments historiques il y a quelques années. C'était un des principaux endroits où les Indiens abattaient les bisons. Il y a également le monticule au Manitoba où l'on a découvert toutes sortes d'objets historiques. Il s'agissait d'un cimetière indien. Est-ce que vous ne croyez pas que des endroits comme ceux-là peuvent être considérés comme des lieux historiques?

M. Bennett: Monsieur le président, ils le sont certainement, notamment le saut des bisons. Nous avons étudié deux autres sauts des bisons en Alberta. Nous sommes en train de discuter de la question avec le gouvernement de l'Alberta afin de chercher à aménager l'un ou l'autre de ces lieux. Nous sommes désireux d'aménager ces lieux, mais il y a malgré tout des questions de droits miniers qu'il faut régler.

Une voix: Comment allez-vous reconstitué cela?

M. Bennett: Je ne veux pas parler de droits indiens au sous-sol.

M. Gundlock: Vous parlez de droits miniers?

M. Gordon: D'après ce que j'ai cru comprendre, au premier mille de la route de l'Alaska, jusqu'à Whitehorse il y a toute une collection d'objets répartis un peu partout.

M. Borrie: Qu'il faut récupérer.

M. Gordon: C'est exact.

M. Borrie: A recueillir dans un endroit.

M. Gordon: Dans le cas des sauts des bisons, il s'agit d'un endroit géographique

[*Text*]

specific area which is of primary importance in a national sense; and the others can be related to this.

Mr. Borrie: There is no possibility that the National Historic Sites and Monuments Board of Canada has ever made such a concession previously, is there? If the precedent has been set I would like to pursue it.

The Chairman: Gentlemen, do you have an answer to Mr. Borrie's question?

Mr. Nicol: The answer, Mr. Chairman, is that no such precedent has been set. Where a site is of national significance we will participate in the acquisition and restoration of it, and it is then operated under agreement with the Department for a period of usually 35 years or more; but there is no contribution to the operation and maintenance of that site. The contribution is 50 per cent of the acquisition and restoration costs, and where a museum is involved, or a collection of artifacts to form a museum, this is outside the terms of reference of the Department.

• 1745

Mr. Borrie: Thank you, Mr. Chairman.

The Chairman: I have one question, which I propose to direct to Mr. Nicol. I have been interested in the site of the Battle of Chateauguay, situated between Howick and Ormstown in Chateauguay County. Under what item in Vote 35 of the Estimates would funds for acquisition of additional land appear? Would it be at the bottom of page 175:

> Payments to individuals or groups in accordance with agreements...

Mr. Nicol: No; the site of the Battle of Chateauguay, Mr. Chairman, has already been declared a national historic site. The proposal here is to expand the site. Therefore, the acquisition will come under Vote 40.

The Chairman: It would come under National Parks, then?

Mr. Nicol: No; in Vote 40 there is provision for acquisition of land.

The Chairman: Of land for national historic sites?

Mr. Nicol: That is right.

Mr. Gordon: I might be able to clarify this. In the case of the operation and maintenance vote the Historic Sites portion is broken out as shown on pages 175 and 176. It is all part

[*Interpretation*]

précis, qui sont d'une haute importance pour le pays; les autres sont connexes.

M. Borrie: Il est impossible que la Commission nationale des lieux et monuments historiques ait déjà par le passé accordé des concessions de ce genre, n'est-ce pas? Si un tel précédent a déjà été créé, j'aimerais le répéter.

Le président: Messieurs, avez-vous une réponse à donner à M. Borrie?

M. Nicol: Je pense que la réponse que je peux donner à M. Borrie, c'est qu'il n'existe pas de précédents. Lorsqu'un lieu présente une importance historique, nous contribuons à son acquisition et à sa remise en état, et ensuite il est exploité en vertu d'un accord s'étendant en général, sur trente-cinq ans ou plus. Mais aucune contribution n'est apportée à l'entretien du lieu. Cette contribution représente 50 p. 100 des frais d'acquisition et de restauration. Lorsqu'il s'agit d'un musée ou d'une collection d'objets, il s'agit de quelque chose qui ne relève pas de notre compétence.

M. Borrie: Merci, monsieur le président.

Le président: J'avais une question à poser à M. Nicol. Comme vous le savez, je suis intéressé au site de la bataille de Chateauguay entre Hawick et Ormstown dans le comté de Chateauguay. Alors je voulais savoir en vertu de quel poste du crédit 35 des prévisions budgétaires, trouve-t-on les crédits prévus pour l'acquisition de nouvelles terres? Est-ce que ce serait au bas de la page 175?

> Paiements à des particuliers ou à des groupes conformément aux ententes.

M. Nicol: Non, le lieu de la bataille de Chateauguay, monsieur le président, a déjà été déclaré lieu historique. Ce que nous proposons ici, c'est de l'agrandir. L'achat paraît donc au crédit 40.

Le président: Cela relève des parcs nationaux?

M. Nicol: Non. Au crédit 40, on prévoit l'achat de terres.

Le président: Pour des lieux historiques nationaux?

M. Nicol: C'est exact.

M. Gordon: Je pourrais préciser que, pour l'administration de l'entretien nous avons une ventilation des postes destinés aux lieux historiques à la page 175 et 176. Tout cela

[*Texte*]

of the Conservation Program, however, and is combined in the case of the capital vote. Such a question could be discussed when we look at the capital vote.

The Chairman: We will have to stand Vote 35 because it contains some items which we have not discussed today. We will not come back, however, to the subject of historic sites.

The other vote we were to consider today was Vote 45, National Battlefields Commission. Have you any special statement on that, Mr. Gordon?

Mr. Gordon: No, sir; but we will be happy to answer any questions the Committee has.

The Chairman: Are there any questions gentlemen, on Vote 45, National Battlefields Commission:

> To authorize payments to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec . .

I understand this deals only with battlefields in Quebec city?

Mr. Gordon: That is right, sir.

Mr. Dinsdale: Is it not possible to integrate the work of the National Battlefields Commission with that of the National Historic Sites and Monuments Board of Canada? It seems to me that there is an overlapping of services here; and inasmuch as the Historic Sites and Monuments Board of Canada deals with battlefields at Stoney Creek, and Batoche and other places in Canada, why is it not possible for it to have over-all responsibility for this particular phase of historic commemoration?

Mr. Gordon: Mr. Chairman, I should mention that we have had discussions with the Commissioner of the National Battlefields Commission, Mr. R. St. Laurent, relative to the functioning of the Commission and what changes might be necessary to better suit modern conditions. I cannot forecast what might arise from this, but some changes may be necessary.

Mr. Dinsdale: I can suggest a change, Mr. Chairman. We might retire the National Battlefields Commission and declare them an historic institution!

[*Interprétation*]

fait partie du programme de conservation toutefois, et paraissent ensemble au crédit des capitaux. Cette question serait à discuter lorsque nous en serons au crédit des capitaux.

Le président: Nous devons réserver le crédit 35 parce qu'il comprend certains postes que nous n'avons pas étudié aujourd'hui. Nous ne reviendrons pas toutefois à la question des lieux historiques.

L'autre crédit que nous devions étudier aujourd'hui est le crédit 45, soit la Commission des champs de bataille nationaux. Auriez-vous une déclaration à faire à cet égard, M. Gordon?

M. Gordon: Non, mais nous nous ferons un plaisir de répondre à vos questions.

Le président: Auriez-vous des questions à poser au sujet du crédit 45, la Commission des champs de bataille nationaux:

> autorisation de faire des paiements à la Commission des champs de bataille nationaux aux fins et sous réserve des dispositions d'une loi concernant les champs de bataille nationaux de Québec. . .

Est-ce que cela s'applique seulement aux champs de bataille de la ville de Québec?

M. Gundlock: C'est exact.

M. Dinsdale: Serait-il possible d'intégrer le travail de la Commission des champs de bataille nationaux au travail de la Direction des lieux et monuments historiques? Il semble y avoir un chevauchement de service ici et puisque la Direction des lieux et monuments historiques s'occupe du champ de bataille de Stonev Cruk, de Batoche et d'autres endroits au Canada, pourquoi ne serait-il pas possible de lui donner la responsabilité de l'ensemble des commémorations historiques à cet égard ?

M. Gordon: Nous avons eu des entretiens avec le Commissaire, de la Commission des champs de bataille nationaux, M. R. St. Laurent pour ce qui est de l'administration de cette commission et des modifications qu'il faudrait apporter, afin d'être mieux adapté aux conditions actuelles. Je ne peux prévoir ce qui pourra en découler, mais nous pourrions y apporter certaines modifications.

M. Dinsdale: Je pourrais proposer une modification, monsieur le président. On pourrait mettre la Commission des champs de bataille nationaux à la retraite et la déclarer une institution historique!

[*Text*]

They have been in service since 1908. I notice the expenditure is $335,000, and it has been going up every year. The substantial part of that expenditure is in salaries and wages, and I suspect that a good deal of that goes on wages for the Commission rather than for the maintenance of the battlefields.

The Chairman: What percentage relates to wages?

Mr. Dinsdale: It is $229,000 as compared with $100,000.

Mr. Gordon: I am told that two-thirds of this amount is devoted to staff salaries. These are the salaries of those who maintain the grounds and not of the Commissioners.

The Chairman: And one-third to the Commissioners is this right?

Mr. Gordon: No, no.

The Chairman: Let us get this on the record.

Mr. P. B. Lesaux (Chief, Operations Division, National Historic Sites Service, National and Historic Parks Branch): Of the total budget of the National Battlefields Commission, two-thirds relates to salaries and wages. The remaining one-third goes towards the purchase of materials, supplies and other equipment necessary for the upkeep. The Board is an honorary board, not in receipt of any salary or wage.

Mr. Dinsdale: I think we should declare it an historic site.

The Chairman: Mr. Borrie, you had a question. I believe.

Mr. Borrie: No; mine was along the same line.

The Chairman: This will end our consideration of Vote 45, but we will stand it until we consider Vote 40, National Parks.

Mr. Simpson: Mr. Chairman, would the Committee agree that these discussions with the National Battlefields Commission should continue to see if some changes could be made?

The Chairman: May I have a motion to adjourn the meeting until tomorrow, March 11?

Mr. Borrie: I so move.

The Chairman: Tomorrow we will be discussing handicrafts.

Meeting adjourned.

[*Interpretation*]

Elle fonctionne depuis 1908 déjà, et je vois que les dépenses de $335,000 augmentent chaque année. Les salaires et traitements représentent une bonne partie des dépenses. Je crois qu'une bonne partie des salaires est versée à la Commission plutôt qu'à assurer l'entretien des champs de bataille.

Le président: Quel est le pourcentage qui est versé en salaires?

M. Dinsdale: $229,000 par rapport à $100,000.

M. Gordon: On me dit que les deux tiers sont consacrés au salaire de personnes préposées à l'entretien des champs de bataille et non pas aux commissaires.

Le président: Et un tiers aux commissaires?

M. Gordon: Non, non.

Le président: Pourrions-nous peut-être consigner cela au compte rendu?

M. P. B. Lesaux (Chef de la Division de l'exploitation, Service des lieux historiques nationaux, Direction des Parcs nationaux et des lieux historiques): Du budget total de la Commission des champs de bataille nationaux, le deux tiers est affecté aux salaires et traitements. L'autre tiers sert à l'achat des approvisionnements, du matériel et de l'équipement requis pour l'entretien. Cette Commission est une commission honoraire qui ne comporte pas d'émoluments.

M. Dinsdale: Je crois qu'il faut en faire un lieu historique.

Le président: M. Borrie, je crois que vous aviez une question.

M. Borrie: Non, c'était une question du même genre.

Le président: Cela met donc fin à notre étude du crédit 45, et nous allons le réserver jusqu'à ce que nous ayons terminé l'étude du crédit 40 relatif aux parcs nationaux.

M. Simpson: Monsieur le président, si le Comité est d'accord, je crois que nous devrions discuter davantage avec la Commission pour voir s'il n'y aurait pas moyen d'améliorer les choses.

Le président: Quelqu'un voudrait-il présenter une motion pour qu'on lève la séance jusqu'à demain le 11 mars?

M. Borrie: Je présente une motion en ce sens.

Le président: Nous parlerons de l'artisanat demain.

La séance est levée.

[*Texte*]

Tuesday, March 11, 1969

• 1113

The Chairman: Gentlemen, I see a quorum. I would like to announce that a subcommittee meeting will be held immediately following this meeting.

As you are aware, gentlemen, by special order of the Committee on Monday, March 10, Handicrafts is the subject before the Committee today and to deal with this problem I call Item 1 of the 1969-70 Estimates for the Department of Indian Affairs and Northern Development.

Having done that, I have the pleasure of introducing to you Mr. Art Solomon who is at present a resident of Garson, Ontario near Sudbury.

He is originally from Killarney, Ontario. He is on contract with the Department of Indian Affairs and is an expert on the subject of Indian crafts. He has been involved in Indian crafts all his life and has a number of fairly strong opinions on the subject, and in the opinion of your steering committee it would be advantageous to the Committee to have Mr. Solomon's evidence.

• 1115

We are very happy to have you with us today, Mr. Solomon. Will you proceed with your brief?

Mr. Art Solomon (Handicraft Development Officer, Northern Ontario, Department of Indian Affairs and Northern Development): Thank you very much, Mr. Chairman.

It is a privilege to have this kind of opportunity. It is quite a way from here to the bush where I started. If possible, Mr. Chairman, I would like to pass around some of the things I have brought with me for Committee members to look at.

While that is going on I suppose I had better make this presentation. I have to apologize for the kind of think I have written in the sense that it was done in a tremendous hurry without anything to work with. I landed in Ottawa the other day with an empty head and an empty pocket, so this is the best I was able to do. I finished writing this last night and got it typed this morning and brought it over here, so here it is.

Without going into any great amount of detail I have these things to say: From the time that man first existed on this earth, he has needed to make things for his own use. As they became more decorative, they

[*Interprétation*]

Le mardi 11 mars 1969

Le président: Messieurs, nous sommes en nombre. Une réunion du sous-comité aura lieu immédiatement après la séance du Comité.

Comme vous le savez, messieurs, par ordre spécial du Comité, lundi le 10 mars, nous parlerons aujourd'hui de l'artisanat. Et pour commencer, je voudrais donc mettre en délibération le poste n° 1 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien. J'ai maintenant le plaisir de vous présenter M. Art Solomon qui habite actuellement Garson (Ontario), près de Sudbury.

Il est originaire de Killarney (Ontario). Il travaille sous contrat pour le ministère des Affaires indiennes et se spécialise dans l'art indien dont il s'occupe depuis toujours. Il a des opinions très arrêtées sur cette question. Et, de l'avis de votre comité de direction, la présence de M. Solomon parmi nous sera des plus avantageuse pour le comité. Heureux de vous avoir avec nous ce matin. Voulez-vous commencer votre exposé?

M. Art Solomon (officier, Handicraft Development Northern Ontario): Merci, monsieur le président. C'est un grand honneur pour moi d'avoir l'occasion de me présenter devant vous. J'en ai fait du chemin depuis mes débuts. Si vous le permettez, monsieur le président, j'aimerais faire circuler un certain nombre d'objets que j'ai apportés pour montrer aux membres du Comité.

Pendant que nous faisons circuler ces objets, je pense que je ferais mieux de donner lecture de mon exposé. Je dois m'excuser de la façon dont cet exposé a été rédigé; je l'ai préparé en toute hâte sans disposer du matériel nécessaire. Je suis arrivé à Ottawa l'autre jour, les poches vides et la tête vide...: donc ne vous attendez pas à un chef-d'œuvre. J'ai fini de rédiger ceci la nuit dernière et je l'ai fait dactylographier ce matin. Donc nous y voilà.

Sans trop entrer dans les détails, voici ce que j'ai à dire.

Depuis sa création, l'homme devait fabriquer les objets dont il avait besoin. Plus il les

[*Text*]

required more skill to make and they became more closely involved in the spiritual and aesthetic needs of man. They went on through great mutations and transformations from there.

For a craftsman to make something with his hands, something of beauty and value, is the essence of being somebody, on which the mantle of self respect rests comfortably and securely without the need to *compete* with anyone.

There are so many intangible realities in handcraftsmanship that it is all but impossible to articulate; just like trying to articulate the mysteries of life. Craftsmanship is of humanity. For the craftsmen who are yet unspoiled by what so many choose to call this North American civilization, craftsmanship is a source of joy because it is human expression in visible form.

Craftsmanship is the most primitive, the most modern and the most excellent means of self expression available to men, for those who make and for those who enjoy.

Crafts development is only a small but very significant part of *total human development*. It was a very essential part of the development of every other nation in the world, and instead of diminishing now in this age of modern technology, it is a need that is expanding and being met in such a way that in a few short years it will become one of the vital life factors of our times, unless we succeed very well in destroying ourselves first.

Over the years I have listened to those who have said "These good Indian Arts are disappearing and that is so tragic". During those same years, especially the past five years, I have also watched the people in the market place wring their hands and say, "Where can we get good, dependable supplies of Indian crafts? We can sell hundreds of dollars worth".

The craftsmen in the bush say, "Where can we sell? We have the need and we have the capabilities", and they add "without being exploited to death". That is where most of the Indian craft development has been for so long—at the door of death. What is needed is

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an organization, a pool if you like, into which the craftwork can flow at its own free rate and from which the shopkeepers can draw as their needs dictate from what is available.

[*Interpretation*]

voulait décoratifs, plus il devait faire appel à son habileté et à son imagination. Ces objets devenaient plus étroitement liés à tout ce qu'il voulait de beau, de spirituel. Dès lors, ils ont connu d'énormes changements et transformations.

Un artisan ne ressent son importance, ne jouit confortablement du respect de soi sans rechercher le besoin de disputer son talent avec qui que ce soit, que lorsqu'il a créé, façonné de ses propres mains quelque chose de beau, de précieux, de sublime.

Les réalités intangibles de l'artisanat sont tellement nombreuses qu'il est impossible de les distinguer; comme si vous essayiez de découvrir les mystères de la vie. L'artisanat c'est l'expression des sentiments humains. Pour les artisans qui n'ont pas encore été influencés par ce qu'on appelle «civilisation nord-américaine», l'artisanat est une source de joie, de bonheur car il constitue l'expression humaine sous une forme palpable.

L'artisanat est à la fois le plus ancien, le plus moderne et le plus excellent des modes d'expression dont dispose l'homme, pour ceux qui créent et pour ceux qui admirent et qui jouissent.

La mise en valeur de l'art n'est qu'une petite partie mais bien significative du développement complet de l'homme. C'est une des parties extrêmement importantes de toutes les autres nations du monde, et loin d'accuser un recul en cette ère de technologie moderne, ce développement constitue un besoin qui s'étend et qui est accueilli avec tant d'ardeur que dans quelques années il constituera un des plus important facteurs de vie contemporaine, à moins que nous arrivions à nous détruire en premier lieu.

Depuis des années, j'ai écouté ceux qui disaient «Ces fameux arts indiens sont en voie de disparition et comme c'est tragique». Durant ces mêmes années, surtout les cinq dernières, j'ai aussi observé ceux qui sur la place du marché, se tordaient les mains de désespoir et disaient: «Où pouvons-nous trouver de bons objets d'art indien» nous pouvons en vendre par centaines de dollars.

L'artisan de la brousse dit: «Où pouvons-nous vendre? Nous avons le besoin et les capacités». Puis ils ajoutent: «Sans être saignés à blanc»; voilà où en était, depuis bien longtemps, le développement de l'art indien. «Au seuil de la mort». Ce que nous avons le plus besoin c'est une organisation, un pool, si vous voulez, auquel nous acheminerions les objets d'art à un taux libre et duquel pool les boutiquiers pourraient s'alimenter au fur et à mesure de leurs besoins.

[*Texte*]

If there is to be a real craft development it must be freed from the cold, clammy hands of government. This is the business of the people in the country and it must be returned to them. It is not the business of government to do for people what they can best do for themselves. People must be involved in their own affairs; they must have the opportunity to deal effectively with their fellow humans. The present course is economic slavery and human stagnation, and stagnation leads only to rot. In that sense every one of us is diminished and every one of us its a loser.

What I have advocated for so long is an investment in people. We invest in all manner of natural resources often widly. If we can only think in terms of a return on our investment, are we too timid or too short sighted to see that a realistic development on proper terms in the capabilities of our craftsmen and the needs of the market is a good one? I sort of drew that one out and dragged it on. However, I think you will know what I meant.

I have long said that the market for good Indian crafts is absolutely unlimited. We must not think of Indian crafts as being only beaded moccasins and mukluks and snowshoes and such tings. We must think in terms of their ability to make an absolutely unlimited variety of beautiful and useful things to suit the needs of every-day shoppers, as well as the most sophisticated and demanding ones. Art is essentially a living thing; it is an essential need; when it stagnates we stagnate; if it dies, we will quickly follow. A craft development scheme must have two points of reference. It must meet the needs of the craftsmen on *their terms* and It must meet the needs of the market on *its terms*.

There are no similarities between craft production and factory production, expect that they both require working materials and both produce finished goods. One reason that so many craft programs have failed is because of the impossibly stupid assumptions of some people that they are one and the same, and when they look at a failure it is equally impossible for them to understand the nature of the destruction they have wrought. There can be no sentiment involved in building a craft development. It must be done in practical, everyday terms and in terms of the realities of the craftsmen and the market place.

[*Interprétation*]

Si nous voulons vraiment mettre en valeur l'artisanat, nous devons le libérer de la mainmise du gouvernement.

L'artisanat appartient au peuple; il faut donc le lui restituer. L'état n'a pas à nous dire comment gérer nos propres affaires. Les gens doivent prendre une part plus active dans leurs propres affaires, on doit les encourager à traiter plus efficacement avec leurs problèmes. Le cours actuel des choses nous ramène vers l'esclavage économique et la stagnation humaine, et la stagnation, à son tour, mène à la pourriture, en ce sens que chacun de nous est amoindri et par conséquent nous serons tous perdants.

Ce que j'ai toujours préconisé c'est de faire confiance aux gens. Bien souvent, nous dépensons sans compter pour valoriser nos ressources naturelles. Si seulement nous pouvions penser et agir en fonction du résultat de nos investissements; sommes-nous trop timides ou trop bornés pour nous apercevoir qu'une politique de mise en valeur réaliste fondée sur des conditions raisonnables et tenant compte des aptitudes de nos artisans et des besoins du marché. Je crois que vous comprenez ce que je veux dire.

J'ai longtemps prétendu que le marché pour l'artisanat indien était absolument sans limite. Ils font autre chose que des mocassins ornés de perles, des mukluks, des raquettes à neige etc. Nous devons nous dire qu'ils peuvent faire un nombre extraordinaire de choses belles et utiles propres à satisfaire tout le monde, même les clients les plus exigeants. L'art est essentiellement vivant, c'est un besoin essentiel, lorsqu'il est en marasme, nous aussi, si l'art meurt, nous mourrons aussi. Un programme de développement des arts doit donc satisfaire à deux besoins. (1) Il faut satisfaire l'artisan. (2) Il faut aussi satisfaire le marché. Dans les deux cas il faut satisfaire et l'artisan et le marché à leur propre condition.

Les produits d'usine et les produits artisanaux n'ont rien en commun, sinon, qu'on travaille sur une matière brute pour en faire un produit fini. Une des raisons pour lesquelles tant de programmes d'artisanat échouent, c'est parce que certaines gens supposent stupidement qu'elles sont toutes identiques et lorsqu'il y a un échec, elles ne peuvent en comprendre la nature.

Il ne faut pas laisser ici libre jeu aux sentiments, il faut aborder toutes ces questions d'artisanat d'un point de vue absolument pratique en tenant compte des réalités des artisans et des besoins du marché.

[*Text*]

About a year ago today, I began a test program at Kasabonika and Webequie in the belief that the craftsmen there wanted an opportunity to better themselves. I carried the test through three phases which consisted of three trips into the communities. I then recommended a development program based on their request to continue.

I re-started the work in October after a lapse of three months. I spent a total of about 50 days in the two communities. I conducted what I called development workshops, *based on native materials,* for about *12 to 15 of those days* and out of that has come what I believe is a fantastic development of numerous new ideas and new products, and we have barely scratched the surface of the capabilities of the people and the new things that can be made.

For an independent reference concerning this development and the needs of the people I refer you to Mr. Vic Vokes of the Indian Affairs Branch here in Ottawa who had a first-hand look at those communities just three weeks ago. He may also still have a fair-sized display of some of the work. If it were not for the support of Vic Vokes during this past year, I could not have done any of this.

I have a whole litany of impossibilities that were imposed on me by various people in the Indian Affairs Branch, particularly the craft center. They were imposed, no doubt, with good logical reasons. Their effect would have been absolutely stultifying if I had not dammed them into the limbo where they belong and carried the work on to the success that it is ready to blossom into now.

In terms of dollars and cents, on my first buying trip to Kasabonika in March I left about $1,200 in the community in three days of buying. On the second trip, I left about $800 and on the third trip about $600 and this in spite of the fact that I was obliged by the crafts centre to buy less and less of the work that they were skilled at, such as moccasins, and so on, and to ask for things they had never done before or done very little of, or for which they had no materials available.

• 1125

It was in April that I sat with the people of Kasabonika and we estimated that under their present circumstances, without changing anything, they could earn at least $2,000 a month and they desperately wanted the opportunity. It was in April that I bought the first piece of diamond willow abstract from one of the trappers. Other people began carving the abstracts. There are at least 20 women carvers now at Kasabonika. A good

[*Interpretation*]

Il y a environ un an aujourd'hui j'ai lancé un projet pilote à Kasabonika et Webequie. Je croyais que les artisans là-bas voulaient s'améliorer eux-mêmes, Mon projet pilote comprenait trois stades, c'est-à-dire trois voyages dans ces localités. J'ai donc recommandé la mise sur pied d'un programme de développement car on m'avait demandé de poursuivre mon expérience.

J'ai recommencé mon travail en octobre après un arrêt de trois mois. J'ai passé environ 50 jours dans ces deux localités. J'ai dirigé ce que j'appellerais des ateliers de perfectionnement où on a travaillé des matières premières d'origine locale durant 12 à 15 jours; il en est sorti un nombre incalculable de nouvelles idées et de nouveaux produits et ce n'était pourtant qu'un tout petit commencement.

Vous pourrez consulter à ce sujet M. Vic Vokes, Division des Affaires indiennes ici à Ottawa, qui a pu voir ces localités, il y a trois semaines à peine. Il est très possible d'ailleurs qu'il puisse vous présenter des échantillons assez importants de ce travail. Sans l'appui de M. Vic Vokes, depuis un an, je n'aurais rien pu faire.

Diverses personnes de la Divisions des Affaires indiennes, et surtout du Centre d'artisanat, m'ont communiqué toute une série d'impossibilités. Il y avait sans doute à cela de bonnes raisons logiques, mais cela aurait complètement arrêté mon travail si je ne m'étais pas moqué complètement de ces objections, et poursuivi mon travail de façon à connaître la réussite qui l'attend.

Mais de mon premier voyage à Kasabonika au mois de mars, j'y ai laissé environ $1,200. en trois jours d'achat. La deuxième fois, j'y ai laissé environ $850. Le centre d'artisanat m'a obligé à acheter de moins en moins d'objets pour lesquels ils étaient qualifiés, des mocassins par exemple, et a demandé des articles pour lesquels ils n'avaient pas les matières premières qu'il fallait, ou qu'ils n'avaient jamais faits.

Au mois d'avril, je me suis entretenu avec la population de Kasabonika et nous avons estimé que, vu les circonstances actuelles, et sans rien changer, il leur serait possible de gagner $2,000. par mois. La population ne demande que la chance de le faire. Au mois d'avril, j'ai acheté d'un trappeur le premier morceau d'une esquisse de saule-diamant (c'est de la moelle d'un arbre qui sert à faire des sculptures). Il y a également une vingtaine

[*Texte*]

deal of the work was rejected at first by me; many pieces had to be worked on time and again before they were acceptable and in desperation to help the people make acceptable work new and better things evolved. For instance, in order to hide unacceptable bases on which a good carving was fastened, I had them covered with buckskin, which was an instant success in the market. That is just one item.

The willow abstracts so far produced have created a demand which the craftsmen can not meet because they have the crudest tools I have ever seen and there is no production in earnest, for the simple reason that we never know from one day to the next whether we can go ahead or not. In other words, we can not plan one logical step after the other because the power to say we will do this or that does not rest in our hands.

In one instance a boy of 17 years carved the most beautiful abstract that has ever come from the bush, the best of any work I have ever seen. It was his first carving without anyone to teach him. It was said three weeks ago that these abstracts are the equal of Henry Moore's and much more acceptable. One trapper in January quit trapping and turned to carving because he says he can make a better living at it.

One of the remarkable things that has happened is the tremendous improvement in the quality of traditional leather goods now produced, simply by restoring to the craftworkers their good design which they had abandoned for religious symbols and designs to suit the whims of teachers and tourists. All they needed was good factual information and advice.

That is all I have to say.

The Chairman: Do you wish us to ask questions now Mr. Solomon, or would you prefer to make a few additional comments?

Mr. Solomon: No, I would be happy to answer any questions.

The Chairman: Mr. Deakon?

Mr. Deakon: Mr. Chairman, Mr. Solomon was speaking about the various crafts that are being made by the Indians in their communities. What is the population of this particular community of Kasabonika?

Mr. Solomon: About 300 people.

[*Interprétation*]

de femmes sculpteurs à Kasabonika. J'ai rejeté pour commencer une bonne partie de ces œuvres, il a fallu les reprendre plusieurs fois de façon à ce qu'elles deviennent satisfaisantes.

Dans un cas, afin de dissimuler la base inacceptable d'une bonne sculpture, je l'ai fait recouvrir de cuir, ce qui a connu un succès instantané. Cela n'est qu'un exemple.

Dans un cas, un garçon de 17 ans autodidacte, a sculpté la plus belle œuvre abstraite qui ne soit jamais sortie de la forêt, la plus belle œuvre que j'aie jamais vue.

Les sculptures de saule ont créé une demande que ne peut satisfaire l'artisan dont les outils sont primitifs et qui n'est pas enclin à produire en l'incertitude des marchés. Nous ne pouvons pas prévoir d'une étape à l'autre car nous ne savons pas ce qui va arriver. C'était sa première œuvre et pourtant ce garçon était un véritable autodidacte. On disait, il y a trois semaines, que ses sculptures sont égales en qualité à celles d'Henry Moose et sont beaucoup plus acceptables. Un trappeur au mois de janvier a abandonné la chasse et est devenu sculpteur car il peut mieux gagner sa vie, paraît-il, de cette façon.

Une des choses les plus remarquables, c'est l'amélioration extraordinaire et récente de la qualité des produits de cuir. Depuis les artisans sont revenus aux dessins primitifs qu'ils avaient abandonnés autrefois en faveur de symboles religieux et autres pour satisfaire professeurs et étudiants. Ils n'avaient besoin que de renseignements et de conseils. C'est tout.

Le président: Voulez-vous que nous posions des questions, avez-vous des remarques supplémentaires à faire?

M. Solomon: Non, non, pas du tout. Je répondrai aux questions.

Le président: Monsieur Deakon.

M. Deakon: Monsieur le président, M. Solomon parlait de ces divers objets fabriqués par les indiens dans les diverses localités. Quelle est la population de Kasabonika?

M. Solomon: Environ 300 personnes.

[*Text*]

Mr. Deakon: How many men and how many women?

Mr. Solomon: I do not know; I suppose they are half and half. Honestly I do not know, because I never bothered to count.

Mr. Deakon: There are children there too, are there not?

Mr. Solomon: Yes, there are children, but altogether there is a total of about 285 people, including men, women and children. That is my understanding.

Mr. Deakon: I see. Now are these crafts that they make sold by the Indians directly to the people who visit these areas?

Mr. Solomon: Well, the odd time—Kasabonika is one of those dead-end places—when people get there they buy. For instance, there was a crew there last October 11 to make a program for This Hour has Seven Days, and some of the people from the crew bought a few things. Once in a while a person goes in there. Sometimes they buy and sometimes they do not, but in this case I am using government money to buy and for that reason I have to ship to the craft centre.

Now, there was the test program that I outlined, three trips into the area, and this test program was for the purpose of proving what the capabilities were, what the possibilities were and also to prove whether I was right or wrong in my assumptions. In the beginning I was not an experienced buyer and so I shoved the thing right to the limit in favour of the craftsman, but I still exercised as much care as I could to try to buy what was reasonable or what seemed to be reasonable, but I had no guidelines to go by.

The second time around I had a letter from the craft centre saying: "I do not want this, I do not want that and I do not want the other thing" which left me almost nothing to buy. At one point I had to make the decision: Am I going to go into the bush and make a report to these people of these realities, or am I going to go home and cancel the whole program? There is no point in spending government money to travel into the area and then not buy anything. There is no point in going to a craftsman unless I can deal with him realistically. That is the way the game has been going.

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Mr. Deakon: Mr. Solomon, who sets the price that you pay the craftsman for these articles?

[*Interpretation*]

M. Deakon: Combien d'hommes et combien de femmes?

M. Solomon: Je ne sais pas, à peu près moitié moitié? Je ne les ai jamais comptés.

M. Deakon: Il y a des enfants aussi?

M. Solomon: Il y a environ 285 personnes en tout et pour tout, hommes, femmes et enfants, du moins c'est ce que je crois comprendre.

M. Deakon: Est-ce que ces objets qui sont fabriqués là-bas sont vendus directement par les Indiens aux gens qui visitent ces régions?

M. Solomon: Kasabonika est un endroit très isolé. Il arrive assez rarement qu'on y reçoive des étrangers. Ceux-ci achètent volontiers lorsqu'ils s'y trouvent. Le 11 octobre on y a préparé un programme pour l'émission *This Hour Has Seven Days*. De temps en temps, il arrive là-bas des étrangers. Parfois ils achètent, parfois pas, mais dans ces cas j'utilise l'argent du gouvernement pour acheter des articles que j'envoie au centre d'artisanat.

Le projet pilote a donc été lancé par moi comme on l'expliquait. Je suis donc retourné trois fois dans cette région pour évaluer les possibilités qui y existaient. Il s'agissait de prouver si j'avais tort ou raison dans mes hypothèses. Au début, je n'étais pas un acheteur expérimenté et j'ai donc favorisé l'artisan tant que j'ai pu. Néanmoins je me suis montré aussi soigneux que possible pour faire des achats qui m'ont paru originaux et raisonnables. Seulement je n'avais pas de principes pour me guider.

La deuxième fois, j'ai reçu une lettre du centre d'artisanat, me disant: «Nous ne voulons pas ceci, nous ne voulons pas cela, nous ne voulons rien qui ressemble à ceci ou à cela» Je n'avais donc presque plus rien à acheter. Je me suis donc demandé si je devais retourner dans la forêt pour dire à mes indiens qu'il n'y avait plus de possibilité pour eux dans ce sens, ou retourner chez moi et tout annuler. Il n'y a aucune espèce de raison pour nous d'aller dans ces régions, sans acheter. Il n'y a aucune raison d'aller chez un artisan si l'on ne peut traiter avec lui. Voilà comment s'est joué le jeu.

M. Deakon: Qui fixe le prix de ces articles?

[*Texte*]

Mr. Solomon: Actually, the prices were very hard to set. I did not have any guidelines in the beginning, except a sort of catalogue which was produced by the craft centre and which I got by accident. I went by those prices and I adjusted them as I went along. Everyone told me I was going to get into a hell of a jackpot because if you pay $5 for a pair of moccasins this time you are going to have to pay $5 the next time, and I just damn well proved that this was not so.

I had to deal with the people in sensible, realistic terms. If I thought a pair of moccasins was only worth $4 that is what I offered. The person could then say: "No, I do not want to sell them to you."

Mr. Deakon: One of the reasons I asked that Mr. Solomon is because on our last trip to the Yukon and the Northwest Territories, we had opportunities of visiting with the Indians and I have also seen the same commodities sold on these Indian settlements, in the cities in the Yukon and also in Calgary, Alberta. The range in price differential was fantastic. What I really want to know is what financial benefit the Indian derives from the commodity he produces?

I will give you an example of the mark-up in prices. I was specifically interested in moccasins because I wanted to buy them for my family. In one of the Indian Settlements at Fort Rae they were around $9, $10 or $11; when we got into Yellowknife they were $19, $20 and $21; in Dawson City they were $29 and $30; and when we got into Calgary they were $45 at the Hudson's Bay Company.

Is somebody along the line taking the "gravy" from what the Indian should obtain for his work? This is the point I would like to make.

Mr. Solomon: This is the kind of jackpot we have all across Canada. It is to prevent this kind of thing, or to bring some sense and order into it that I advocate a different way of doing things, at least to give some of the craftsmen an opportunity. The moccasins that I would pay $5 for are normally supposed to sell on the market for $10.

Mr. Deakon: Do they, to your knowledge? Have you checked whether they do, or do not?

Mr. Solomon: I have bought mukluks that I had to ship, or had to work with through the craftsman, to bypass the impossible situation that I found at the Craft centre. As I said, there are no doubt good, logical reasons for her not wanting mukluks and moccasins, and that I do not argue with. As I could not

[*Interprétation*]

M. Solomon: Il est extrêmement difficile de fixer des prix. Au début, je n'avais rien pour me guider. Une espèce de catalogue a été produit par le centre d'artisanat et je me le suis procuré par hasard. Je me suis fondé sur ces prix-là. J'ai modifié au fur et à mesure les prix, tout le monde m'a dit: «Ceci va vous faire beaucoup de tort», car si vous payez $5. une paire de mocassins cette fois-ci, vous allez être obligé de payer $5. la prochaine fois, mais la pratique m'a montré que ce n'était pas exact. J'ai dû traiter directement avec les gens d'une façon absolument rationnelle et pratique. Si les mocassins me semblaient valoir $4, c'est ce que j'offrais. L'artisan pouvait alors refuser de me les vendre.

M. Deakon: Une des raisons pour lesquelles j'ai posé la question c'est que lors de notre dernier voyage dans les Territoires du Nord-Ouest, nous avons eu l'occasion de voir les Indiens et nous avons vu ces choses qui étaient vendues dans les réserves indiennes, dans les villes du Yukon et à Calgary en Alberta. Les écarts de prix étaient extraordinaires. Ce que je voudrais surtout savoir, c'est quels sont les avantages financiers retirés par les Indiens et quelle partie du prix de vente touchent les Indiens.

Par exemple, je voulais acheter des mocassins pour ma famille. Dans un des établissements indiens à Fort Rae, ils coûtaient à peu près $9, $10 ou $11. Une fois rendus à Yellowknife, ils coûtaient $19, $20 ou $21. A Dawson City, de $29 à $30. A Calgary, à la Compagnie de la Baie d'Hudson, ils coûtaient $45. Il y a certainement quelqu'un en chemin qui se graisse aux dépens de l'Indien.

M. Solomon: Voilà exactement ce qui se passe d'un bout à l'autre du Canada. C'est pour mettre un peu d'ordre là-dedans que je propose un autre moyen de procéder de façon à donner une certaine chance aux artisans. Les mocassins que je paierais $5 se vendraient sur le marché pour $10.

M. Deakon: Est-ce que c'est exact? Est-ce que c'est ce qui se passe?

M. Solomon: J'ai acheté des mukluks que j'ai dû envoyer. J'ai dû travailler d'ailleurs avec l'artisan directement pour tourner la difficulté soulevée par le centre d'artisanat. Comme je l'ai dit, il y a certainement une bonne raison pourquoi le centre d'artisanat n'achète pas de mukluks et de mocassins. Je

[*Text*]

buy these mukluks and moccasins for her, I said to the craftsman: Do you want to ship directly to the market? "I will help you with it." I did that. In one of the shops here in Ottawa that sell mukluks, those on which the craftsman had put a price of $10, $11 or $12 were doubled in price. That is the normal practice all over.

Mr. Deakon: I can see your point. Everybody wants to make a dollar out of them, but surely not to the extent of quadrupling the original price?

Mr. Solomon: These craftsmen are dealt with in very many ugly ways, and they are always at a disadvantage. They are always sort of distress-selling.

In one case two women worked for about a month and a half or two months making beautiful work, you know the little porcupine quill box, which is not from that area up there—they had made work the equal of that and that comes from the same community. They hired a truck and went to the French River and sold their work. They owed the truck driver when they were finished.

Mr. Deakon: Who runs these craft centres?

Mr. Solomon: Individual people.

Mr. Deakon: Have they any connection with the Department of Indian Affairs and Northern Development?

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Mr. Solomon: I made a mistake. It is individuals who buy these things, and they buy at whatever prices they want to pay. There is one in Little Current, a person who has bought from the craftsmen over many, many years. She always got the credit for maintaining Indian crafts on the Island. She was maintaining herself, not the craft.

Mr. Deakon: Mr. Solomon have you ever considered publicizing these crafts in big cities such as Metropolitan Toronto so that people there who may desire some of these crafts can obtain them directly from the source by writing to the community, or whatever it may be, where these crafts are produced?

Mr. Solomon: That is very nice, but it does not work. I have tried for two years to make that kind of thing work. I know, as a crafts-

[*Interpretation*]

n'ai pas pu acheter ces mukluks et ces mocassins directement de la personne qui les faisait. Je lui ai demandé s'il voulait les expédier directement sur le marché et que si c'était le cas je serais prêt à l'aider. C'est ce qui s'est passé. Dans un des magasins ici à Ottawa, il y a des mukluks, par exemple, dont l'artisan a fixé le prix à $10, $11 ou $12 et qui ont doublé. C'est ce qui se passe d'ailleurs habituellement.

M. Deakon: Je comprends votre point de vue. Chacun veut prendre son bénéfice, mais il ne faudrait tout de même pas quadrupler le prix primitif?

M. Solomon: Les artisans ne sont pas toujours bien traités. Ils sont toujours désavantagés. Ils sont toujours obligés de vendre très vite. Je songe ici à deux femmes qui ont travaillé six semaines ou deux mois pour faire des choses très très jolies; le travail était aussi bien fait que la petite boîte en piquants de porc-épic que je vous ai montrée. Elles ont loué un camion, sont allées à la Rivière-aux-Français, ont vendu leur travail et quand elles sont rentrées chez elles, elles devaient encore de l'argent au camionneur.

M. Deakon: Mais qui dirige ces centres d'artisanat?

M. Solomon: Diverses personnes.

M. Deakon: Est-ce qu'elles ont un rapport quelconque avec le ministère?

M. Solomon: J'ai fait erreur. Il y a toutes sortes d'acheteurs. Ces gens-là achètent ces objets au prix qu'ils veulent bien payer. Il y a une personne à Little-Current qui achète depuis des années des objets aux artisans. On lui a toujours attribué le mérite d'avoir empêché la disparition des arts indiens dans l'île mais au fond c'est elle qu'elle faisait vivre, pas l'artisan.

M. Deakon: Avez-vous déjà songé à faire de la publicité à ces arts populaires auprès des grandes villes comme Toronto, par exemple? Il est très possible que ces gens qui désirent acheter ces objets pourraient les obtenir directement en écrivant à la communauté indienne par exemple.

M. Solomon: J'ai bien essayé. Voilà deux ans que j'essaie mais cela ne marche pas. Je sais ce que cela suppose pour l'artisan. Je

[*Texte*]

man, what it means to ship and I have a better opportunity, as a craftsman, than they have.

Many times they ship things out and do not get their money for them. In the case of one woman, as I was just mentioning, she made a quill box and sent it to the United States. It cost her the time to make it and the materials, and so on. The woman is crippled and is in a wheel chair. She got a letter back about a month later saying, "The box was broken. I am not going to pay for it." This kind of thing goes on all the time.

Mr. Deakon: Why not mail it COD? I would not just send it to...

Mr. Solomon: I know. It is all very well to talk about that kind of thing in Ottawa, but when you get out in the bush and try to do that sort of thing it is another story.

Mr. Deakon: We should see to it that these problems are rectified. Thank you, Mr. Chairman.

Mr. Simpson: Mr. Solomon, I have a question relative to my own idea of the matter the member was trying to raise.

You were comparing the prices in the different places. Is it not also true that in many of the things we saw on our trip as members know, and as Mr. Solomon knows better than any of us—there is sometimes a vast difference in the quality of the work? If you were to try to order a pair of mukluks from any region in Canada where the Indian people make these, to try to get a pair like your neighbour's, who had been into that area, it would be very, very difficult to do; and you may not be quite satisfied by just ordering them by request. You would almost have to have a sample of the actual article you wanted.

Mr. Solomon: Even that would not work, because there is no quality-control whatsoever.

Mr. Simpson: No; I realize that; and the number of people working on it, I suppose, would have a big bearing on the relative cost.

Mr. Solomon: The quality of work and the design and so on all matter a tremendous lot. You can look at a good pair of moccasins or mukluks and say, "I would like to have a pair like that", and try to get a pair. You just try it.

Mr. Simpson: I realize that.

Mr. Solomon: It is all but impossible. The dealers only want these things for a period

[*Interprétation*]

suis moi-même artisan. Je connais bien la question. Il arrive souvent que les artisans qui ont expédié directement leurs objets n'ont jamais été payés. Je connais le cas d'une femme, par exemple, qui avait fait une boîte en piquants de porc-épics pour envoyer aux États-Unis. Elle est infirme et cela lui a pris du temps à confectionner cette boîte. Elle a reçu une lettre lui disant: La boîte est brisée, je ne veux pas la payer. Ce sont des choses qui se passent tout le temps.

M. Deakon: Vous pourriez l'envoyer payable sur livraison.

M. Solomon: Sans doute, on peut parler ainsi lorsqu'on est à Ottawa, mais lorsqu'on est dans la forêt c'est autre chose.

M. Deakon: Nous devons voir à ce qu'il soit mis un terme à cela. Merci beaucoup, monsieur le président.

M. Simpson: M. Solomon, j'ai une question. Voici ce que je pense de ce à quoi on voulait en venir. Si on compare les prix dans différents endroits. N'est-il pas vrai que bon nombre de ces objets que nous avons vus pendant notre voyage au Yukon, il y a, comme vous le savez et comme M. Solomon le sait bien mieux que nous, une différence quant à la qualité. Si vous essayez de commander une paire de mocassins ou de mukluks dans une région du Canada où ces personnes fabriquent ces mocassins pour essayer d'obtenir une paire comme celle de votre voisin qui est allé dans cette région, ce sera très difficile à obtenir. Vous ne serez peut-être pas aussi satisfait que celui qui les a achetés sur place. Il vous faut pratiquement un échantillon de ce que vous voulez.

M. Solomon: Même cela ne fonctionne pas parce qu'il n'y a aucun contrôle de la qualité ...

M. Simpson: Je m'en rends compte. Et de nombreuses personnes travaillent à ces objets. Je suppose que cela a un effet important sur les coûts.

M. Solomon: La qualité et le dessin du travail, sont des questions qui importent beaucoup. Si vous voulez une bonne paire de mocassins, vous n'avez qu'à l'essayer.

M. Simpson: C'est ça.

M. Solomon: Bien souvent c'est impossible. Les détaillants ne veulent ces objets que pour

[*Text*]

from about May 1 until the end of November. The rest of the year is dead so far as the crafstmen are concerned, and that is their best time to produce during the winter time.

Mr. Orlikow: Mr. Chairman, I have one question of Mr. Solomon. I do not know whether he will be able to answer it, but perhaps we could discuss it at some point.

I understand there is a co-operative organization, which was initiated by the government, which helps sell craft goods produced by the Eskimos. I am pretty certain they keep an eye on the sale at the retail level as compared to the price at which the craftsman sold it, so that there has to be some relationship.

Would the Department think of setting up the same kind of organization to help promote craft material produced by Indians, and to see that they got a fair price?

There certainly cannot be much equity when the local resident has to sell to somebody near the reserve, because they are going to buy it—it is very natural—as cheaply as possible and sell at as high a price as possible. Could we discuss that at some point.

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The Chairman: Mr. Orlikow, we had intended to have Mr. Mitchell of Canadian Arctic Producers Ltd. with us today. However, he had scheduled a trip to Yellowknife before we arranged this meeting and he could not come. We have with us today Mrs. Houston of Canadian Arctic Producers. She is not prepared, and is not authorized, to make a presentation on behalf of CAP today but perhaps Mrs. Houston might be available, after we have questioned Mr. Solomon further, for some direct questions. Mr. Solomon, perhaps you could tell us what your relationship is with CAP. Do you deal with them at all or, if you do not, what are your complaints or your problems?

Mr. Solomon: I have no dealings with CAP whatsoever, Canadian Arctic Producers Ltd., except that most of the members of CAP are friends of mine; people like Mrs. Houston, Eric Mitchell, and so on, but I do not have dealings with them in any way.

The Chairman: Mr. Borrie has a question.

Mr. Borrie: I wonder, Mr. Solomon, if you could go into some detail with respect to where you say the government should get its clammy hands out of the business and that

[*Interpretation*]

une période allant du 1er mai à la fin de novembre. Pour ce qui est du reste de l'année, il y a très peu de clients pour ces produits. C'est pourtant la saison d'hiver qui est la plus favorable à la production.

M. Orlikow: J'aimerais pouvoir parler de la question parce que si je comprends bien, il y a une organisation de coopératives soutenues par le gouvernement qui aide à vendre les objets d'artisanats produits par les Esquimaux. Je suis sûr que le gouvernement exerce une surveillance sur la vente au détail en ce qui à trait aux prix. Le ministère ne pourrait-il pas songer à constituer les mêmes cadres coopératifs afin d'encourager les artisans indiens afin de s'assurer qu'ils obtiennent un juste prix. Sûrement, ce n'est pas d'un grand rapport quand les gens de la bande doivent vendre leurs objets aux alentours de la réserve. Car quiconque essayera de les acheter au plus bas prix possible et de les revendre au meilleur prix. Est-ce qu'on ne pourrait pas parler de cette question?

Le président: Monsieur Orlikow, nous avions l'intention d'entendre M. Mitchell, de la Canadian Arctic Producers, mais il avait prévu un voyage à Yellowknife, avant que nous puissions arranger cette séance, ainsi, il n'a pu se rendre à notre convocation. Madame Houston de la Canadian Arctic Producers, est avec nous aujourd'hui. Elle n'est pas autorisée à témoigner au nom de cette association aujourd'hui, mais, après que nous aurons terminé notre période de questions directes avec M. Solomon, peut-être pourrait-elle répondre à des questions. Monsieur Solomon, peut-être pourriez-vous répondre et nous dire quel rapport avez-vous avec cette association. Est-ce que vous traitez avec eux? Sinon, quelles sont vos plaintes? Quels sont vos problèmes?

M. Solomon: Je n'ai rien à voir avec «*Canadian Arctic Producers,*» (les Producteurs Canadiens de l'Arctique) excepté que la plupart des membres du PCA sont mes amis, Mme Houston, M. Eric Mitchell, etc. Je ne traite pas avec ces gens-là, pas du tout.

Le président: M. Borrie a une question.

M. Borrie: Je me demande, monsieur Solomon, si vous pourriez entrer dans les détails de la question? Vous dites que l'État ne devrait pas poser sa main preneuse dans ces

[*Texte*]

you would shunt some of their mandates into limbo. What are you getting at there?

Mr. Solomon: What I am getting at is that we produced a study and proposals for the Department of Indian Affairs, and Mr. Penner suggested to Mr. Watson that this Committee look into those proposals. As far as I am concerned it was killed by the people in the regional office of Indian Affairs in Toronto and by the other regional offices throughout the country.

Mr. Borrie: What sort of proposals are you talking about?

Mr. Solomon: This was a proposal to set up a limited company—it was a special kind of thing, something I am not familiar with—that is, the matter of setting up a company and doing business, and Dr. Martin O'Connell is aware of this and he has gone through it, but there are many considerations. However, this would have set up a company which was not a co-operative but it would be operated in the interests of the craftsmen.

For instance, when they want to buy materials such as thread and beads, and so on, they have to pay tremendous prices for them to the free trader or the Hudson's Bay Company. They pay double the price for beads at the Hudson's Bay Company compared to what I was selling the same beads for that I got from Indian Affairs.

There is no profit involved in Indian Affairs. Also, there is a particular kind of cloth which I believe they call shroud, as well as various other kinds of cloth, which the Hudson's Bay Company sells at a price of something like $10 a yard to the craftsmen, and they are in such a fix that they can only buy narrow strips of the stuff for their particular use, and this company would have bought this kind of material and sold it to the craftsmen at cost price. They would not lose money, but the idea is to sell it to them at a reasonable price and simply get a return on their money.

Mr. Borrie: How much is a reasonable price?

Mr. Solomon: For instance, a reasonable price for what Indian Affairs now has to sell, which as far as I am concerned is unsuitable, and this is a cloth that is used in making mukluks. It is unsuitable because when the bead decorating is put on it it is almost lost because the material is too furry. That material is sold for $6.15 a yard, or something like that, and I sold some of it last

[*Interprétation*]

affaires et que vous mettriez à certaines instructions des fonctionnaires dans l'ombre. Où voulez-vous en venir?

M. Solomon: Nous avons produit une étude et des propositions pour le ministère des Affaires indiennes. M. Penner avait donné à entendre à M. Watson qu'il serait bon que le présent Comité examine ces propositions. Autant que je sache, les fonctionnaires du Ministère des Affaires Indiennes les avait affichées au bureau régional de Toronto et dans d'autres bureaux régionaux.

M. Borrie: De quel genre de propositions s'agissait-il?

M. Solomon: Il s'agissait de créer une société à responsabilité limitée, dotée de pouvoirs que je connais mal. Mais, il se serait agi d'établir une société et de faire des affaires. M. Martin O'Connell connaît cette question et il vous en a parlé. La question, évidemment, est compliquée. Il se serait agi de créer une société qui n'aurait pas été une coopérative, mais qui aurait travaillé dans l'intérêt de l'artisan.

Par exemple, lorsqu'on veut acheter des matières premières, comme du fil, des perles, etc. on les paye très, très cher de la Compagnie de la Baie d'Hudson ou des fournisseurs de ces régions. Le prix demandé par la Compagnie de la Baie d'Hudson est deux fois plus que ce que je demandais moi-même lorsque je vendais les mêmes perles que j'avais eues à cette fin des Affaires indiennes.

On ne fait pas de profit aux Affaires indiennes. Et il y a également du tissu qu'on appelle la shroud et diverses autres sortes de tissus, que la Compagnie de la Baie d'Hudson vend dix dollars la verge aux artisans. Ils sont tellement mal pris qu'ils ne peuvent en acheter que des bandes assez étroites pour leur propre usage. Cette compagnie dont je parle aurait acheté ce tissu et l'aurait vendu à l'artisan au prix coûtant. Il ne se serait pas agi pour elle de perdre de l'argent. Il se serait agi pour elle de vendre à l'artisan à prix raisonnable et de récupérer simplement son argent.

M. Borrie: Un prix raisonnable, c'est combien?

M. Solomon: Par exemple, un prix raisonnable pour ce que les Affaires indiennes ont à vendre, et que je ne trouve pas convenable, c'est un tissu qui est sensé servir à la fabrication des mukluks mais ça ne convient pas à cet usage, parce que quand on le décore avec des perles, cela ne paraît pas car le tissu est trop velu. J'en ai vendu un peu l'hiver dernier, seulement à $6.75 la verge, je pense. A

[*Text*]

winter, but if they go to the Hudson's Bay Company to buy that cloth they will have to pay around $10 a yard for practically the same thing.

Mr. Borrie: There is nothing in the Act, though, that prevents any group of craftsmen

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in a particular area or region from developing a company, and being able to purchase and sell through this company, is there?

Mr. Solomon: I do not quite understand.

Mr. Borrie: The craftsmen can form a company of their own.

Mr. Solomon: They are free to do that.

Mr. Borrie: And this could be done without interference from the Department of Indian Affairs.

Mr. Solomon: It would be ideal if it could be done, but if we waited for that I think we would have to wait until hell freezes over.

Mr. Borrie: Who are you asking to take the initiative, the Department of Indian Affairs or the craftsmen? This is what I am getting at.

Mr. Solomon: No. I am asking that the federal government look into the possibilities and this Committee examine whether this is a good idea or not, and if what I am saying is of value, that you go on from here. I have suggested that perhaps you could talk to Mr. Vokes to obtain an independent opinion on what he saw three weeks ago in these same areas. If these ideas are valid, I would like this Committee to look into them and to go beyond what we now have.

Mr. Borrie: One further question, Mr. Chairman, and then I will pass to someone else. Mr. Solomon, what do you think about the Arts and Craft Centre? Do you believe it is serving its purpose?

Mr. Solomon: As far as I am concerned it does not serve its purpose. It cannot possibly serve its purpose when you have one person who sits there who is not realistic as far as craft development is concerned.

Mr. Borrie: You mean expanding the development of crafts?

Mr. Solomon: If you are going to make shoes you have to get out and sell the shoes. In any kind of business you have to sell, and

[*Interpretation*]

la Compagnie de la Baie d'Hudson, il leur faudrait payer exactement le même tissu $10 (dix dollars) la verge.

M. Borrie: Est-ce qu'il y a quelque chose dans la Loi qui empêche un groupe quelcon-

que d'artisans dans une région particulière de se former en Société qui puisse leur permettre de vendre et d'acheter?

M. Solomon: Je ne comprends pas très bien.

M. Borrie: Mais est-ce que les artisans ne pourraient pas former leur propre société?

M. Solomon: Oui, mais ils sont libres de le faire.

M. Borrie: Mais cela peut se faire sans l'intervention du ministère.

M. Solomon: Sans doute, ce serait l'idéal, mais s'il fallait attendre que cela se fasse, il faudrait attendre la semaine des quatre jeudis.

M. Borrie: Mais qui doit prendre l'initiative, le Ministère ou les artisans eux-mêmes? C'est ce à quoi je veux en venir.

M. Solomon: Je voudrais que le gouvernement fédéral examine cette possibilité. Je voudrais que le Comité étudie la valeur de cette idée en partant de ce que je dis. Vous pourriez peut-être parler à M. Vokes, qui vous donnera librement son opinion de ce qu'il a vu il y a quelques semaines dans ces mêmes régions. Si ce sont des idées valables, je voudrais que le Comité les examine pour aller au-delà des idées actuellement en cours.

M. Borrie: Une autre question, monsieur le président, et je laisserai la parole à un autre. M. Solomon, qu'est-ce que vous pensez du Centre d'artisanat lui-même? Pensez-vous qu'il remplit bien son but?

M. Solomon: Pour autant que je sache, il ne le fait pas. Il est impossible qu'il réussisse dans son entreprise tant qu'il sera dirigé par quelqu'un qui n'a pas, sur le développement des arts populaires, des idées nettes.

M. Borrie: Vous voulez dire augmenter le développement de l'artisanat?

M. Solomon: Si on fabrique des chaussures, il faut les vendre. Dans tout genre d'affaires, il faut vendre et c'est précisément ce que

[*Texte*]

this is exactly what we have provided for in this kind of company, that we would sell the stuff, we would go to the craftsman and buy the articles and we would exercise the kind of quality control that is necessary in the marketplace.

We would also provide the materials to the craftsmen at cost in order to facilitate their work. However, I wanted to go beyond that and develop new ideas in the community. This is what I have been able to do in this work that I have done.

Mr. Borrie: Thank you very much, Mr. Solomon.

The Chairman: Any questions? Mr. Simpson.

Mr. Simpson: Mr. Solomon, am I right in assuming that as far as the retailing of these products is concerned the Department of Indian Affairs, or any branch of the government, has no outlet of their own. You spoke about the craft shop. As you said before, these are all...

Mr. Solomon: The Arts and Craft Centre.

Mr. Simpson: The Arts and Craft Centre. Where is the Arts and Craft Centre?

Mr. Solomon: The Arts and Craft Centre is at 290 Palace Street in Ottawa.

Mr. Simpson. This is the one you are talking about?

Mr. Solomon: That is right.

Mr. Simpson: And this is the only one that is referred to as the Arts and Craft Centre in Canada, as far as the Department of Indian Affairs is concerned?

Mr. Solomon: As far as I know the only Indian Affairs Arts and Craft Centre in Canada is in Ottawa.

Mr. Simpson: This is what I was wondering about. There is just the one in Ottawa. I am certainly not being critical because I am all in favour of the idea of this Committee looking into the aspects of a better system for getting these goods on the market. How many programs do you know of that the Department of Indian Affairs is carrying on like the one you are operating, where you go out into certain areas and buy handicrafts with government funds to send to the Arts and Craft Centre? In how many areas is this being done in Canada? Is it being done in each province?

[*Interprétation*]

nous cherchions à faire en créant cette société. Nous voulions vendre ces objets, nous voulions acheter des choses de l'artisan et exercer le contrôle de la qualité qui est nécessaire sur le marché.

Nous allions aussi fournir des matières premières à l'artisan au prix coûtant de façon à rendre son travail plus facile. Mais je voulais aller encore au-delà pour créer des nouvelles idées dans la localité. C'est, du reste, ce que j'ai pu faire par mon travail.

M. Borrie: Merci beaucoup, monsieur Solomon.

Le président: D'autres questions? Monsieur Simpson.

M. Simpson: M. Solomon, ai-je raison de croire, pour ce qui est de la vente au détail, que le ministère des Affaires indiennes ou tout autre service du gouvernement n'a pas de débouché? Vous avez parlé des ateliers d'artisanat. Comme vous l'avez dit déjà, ces...

M. Solomon: Le Centre d'artisanat.

M. Simpson: Le Centre d'artisanat. Où se trouve-t-il ce Centre d'artisanat?

M. Solomon: Il se trouve au 290, rue Palace, à Ottawa.

M. Simpson: C'est celui dont vous parlez?

M. Solomon: C'est cela.

M. Simpson: C'est le seul qui porte ce nom au Canada, en autant que le ministère des Affaires indiennes est concerné?

M. Solomon: Pour autant que je sache, il n'y en a qu'un seul au Canda et il se trouve à Ottawa.

M. Simpson: C'est ce que je me demandais. Il n'y en a qu'un seul, à Ottawa. Je ne veux pas critiquer parce que je suis tout à fait favorable à ce que le présent Comité étudie les aspects afin d'établir un meilleur système pour acheminer ces produits vers les marchés. Combien connaissez-vous de programmes comme le vôtre mis en application par le ministère des Affaires indiennes de places où vous allez acheter à même les fonds publics, pour acheminer ces produits vers le Centre d'artisanat? Dans combien de régions cela se fait-il au Canada? Cela se fait-il dans chaque province?

[*Text*]

Mr. Solomon: No. As far as I am aware there is Team Products, which began as an individual effort and then it got a grant of money from the federal and the Alberta governments in order to operate. I think it was something like a grant of $110,000 over a period of three years.

Whether they have been successful or not I do not know. Apart from that the only buying that has been done that I am aware of has been through the agency offices, and it is often done by people who have no idea what kind of quality control should be imposed or implemented. These are people who really do not know what they are doing; it is really a sideline and usually they do not like it.

Mr. Simpson: And do a lot of the crafts that we see in agency offices on reserves when we go throughout Canada that have been purchased normally find their way to the Arts and Craft Centre in Ottawa?

Mr. Solomon: I suppose they do, but God knows what they are. To me it is like putting

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a Band-Aid on a cancer, that sort of thing. It is really sort of an afterthought as far as I am concerned.

At the Geraldton agency office a fellow bought a coat from a woman for $65. This money then belongs to the agency, and God knows what will become of it. He has been trying to sell this one jacket direct to someone. There are other articles they have bought and tried to sell directly to a dealer.

Mr. Simpson: When the Arts and Crafts Centre here take things from you, do they immediately pay back into the fund you are using, or do they take things on consignment?

Mr. Solomon: There was $3,000 set up for me to operate with. It was supposed to have been a fund that would have been replenished as it was used, subject to my giving an account of what I had done. That ran into quite a problem, but the point is that the money was there. It is government money. Then I shipped in turn for the Arts and Crafts Centre. I was supposed to be under the direct control of the Arts and Crafts Centre. This is the logical way to operate.

I saw that it was impossible to operate this way in the beginning and say, "Here is a test program; you can have it. You can take it or

[*Interpretation*]

M. Solomon: Non, je connais les Produits Team, petite industrie qui a été commencée par l'effort d'un particulier, et qui a, par la suite, obtenu une subvention du gouvernement fédéral et du gouvernement de l'Alberta afin de fonctionner. Je pense que la subvention était de l'ordre de cent dix mille dollars ($110,000) pour une péroie de trois ans.

S'ils ont réussi ou pas, je n'en sais rien. A part cela, les seuls achats qui aient été faits se sont faits par l'entremise des bureaux des agences, et ils se font souvent par des personnes qui ne savent pas du tout quel genre de contrôle de qualité il faut imposer ou exercer. Ce sont des personnes qui ne savent pas vraiment ce qu'ils font. C'est un à-côté. Habituellement, ils n'aiment pas faire ce travail.

M. Simpson: Et bon nombre de ces objets d'artisanat que nous voyons dans les bureaux d'agence, dans les réserves, lorsque nous parcourons le Canada, et qui ont été achetés, sont-ils habituellement acheminés vers le Centre d'artisanat, à Ottawa?

M. Solomon: J'imagine. Mais enfin, Dieu c'est qui en retourne. C'est comme si on mettait un sparadrap pour soigner le cancer. C'est vraiment une sorte de réflexion après coup.

Au bureau de l'agence de Geraldton, un type a acheté un manteau d'une dame pour soixante-cinq dollars ($65). Ce fut acheté avec l'argent de l'agence, mais qu'est-ce qu'on va en faire. Il a essayé de le vendre directement à quelqu'un, ce manteau—mais on a acheté d'autres articles qu'on a essayé de vendre directement au commerçant.

M. Simpson: Quand le Centre d'artisanat ici à Ottawa vous achète des articles, vous rembourse-t-il immédiatement ou prend-il les articles en consignation?

M. Solomon: On a prévu $3,000 dollars pour mon travail. Ce devait être un fonds qui se renouvelerait au fur et à mesure, suivant les comptes que je rendrais pour le travail accompli. Cela a causé bien des problèmes, mais l'important, c'est que l'argent y était. C'est l'argent du gouvernement. Ensuite je me suis adressé au Centre d'artisanat. Je devais relever directement du Centre d'artisanat. C'est la façon tout à fait logique de fonctionner.

Dès le début, j'ai vu qu'il était impossible de procéder de cette façon et de dire: «Voici un projet d'essai; tout dépend de vous; fai-

[*Texte*]

leave it; do what you like with it." My part was to deal with them realistically. This way I went overboard. For one thing I did not have the knowledge as a buyer. I have the knowledge as a craftsman, but not as a buyer. I gradually acquired it—very quickly—and I tried to comply with Miss Gooden's regulations.

As I said, I restarted the program in October, and when I began this fall I had an order from Miss Gooden for three items. I do not have any record of what those things were. There was only one of those items that I recall that they could produce and that was the willow abstracts. Vern Gran and Tom Lee in Toronto said, "We think we are making real progress."

I said, "What the hell about all the other things that the people have skill and ability to make and materials to work with, and so on? What about those things? For these things they have nothing to work with almost. This is real progress." You know, this was a matter of almost stopping them completely.

Mr. Simpson: Can we take it, then, that all of these craft shops operated across Canada by individuals more or less do their own buying? Through this set-up that you have, you have no way of picking up materials or crafts which maybe the Arts and Crafts Centre does not want but which people are producing? You do not buy any of those and then turn them over to private outlets?

Mr. Solomon: I would not dare do that. For one thing, it would make such a jackpot that I could never handle it. And I am using their money; it is not right to do that kind of thing anyway. There is too much chance of loss in that sort of thing. Sometimes the dealers do not even pay for what they get. I am sure that when you listen to Canadian Arctic Producers Ltd. next week, when it comes to collecting the money for the stuff they have sold you will find what kind of difficulties they have.

Mr. Simpson: Then I have one necessary further question. When you turn articles over to the Arts and Crafts Centre do they immediately pay back into the fund or is there a credit basis?

Mr. Solomon: The money is there for me. How it gets there I am not concerned with, but it is there for me. I pay directly to the craftsman the price that I agree on with the

[*Interprétation*]

tes-en ce que vous voulez». Je devais alors procéder de façon réaliste, mais de cette manière je suis allé un peu trop loin. Je n'avais pas d'expérience en tant qu'acheteur; en tant qu'artisan oui, mais pas en tant qu'acheteur. Peu à peu, j'ai acquis cette expérience—très rapidement—et j'ai essayé de m'en tenir aux exigences de Mlle Gooden.

Comme je vous l'ai dit, j'ai relancé le programme au mois d'octobre, et lorsque j'ai commencé, cet automne, j'avais une commande de 3 articles pour Mlle Gooden; mais je n'ai aucun dossier pouvant m'indiquer la nature de ces articles. Si je me souviens bien, on ne pouvait produire qu'un seul de ces articles, les sculptures abstraites en bois de saule. Vern Gran et Tom Lee à Toronto m'ont dit: «A notre avis, nous faisons beaucoup de progrès».

Alors j'ai dit: «Que dire des autres choses que les personnes ont l'aptitude et l'habilité de faire et les matériaux pour les fabriquer, et ainsi de suite? Que dire de ces autres artices? Des articles pour lesquels ils n'ont presque rien pour travailler? Voilà un véritable progrès».

M. Simpson: Est-ce que tous les centres d'artisanat sont exploités dans le pays par des personnes, qui s'occupent plus ou moins de leurs propres achats? Avec votre système, vous ne pouvez pas recueillir les objets ou articles que le Centre d'artisanat ne désire peut-être pas, mais que les gens fabriquent? N'en achetez-vous pas pour les revendre ensuite à des boutiques privées?

M. Solomon: Non, je n'oserais pas faire cela. Tout d'abord, cela rapporterait tellement d'argent que je ne saurais qu'en faire. J'utiliserais leur argent. Il y a trop de risques et de pertes dans ce genre d'affaire, ce ne serait pas juste de procéder de cette façon. Parfois, les marchands ne paient même pas le prix de ce qu'ils achètent. La semaine prochaine, lorsque vous entendrez les Producteurs canadiens de l'Arctique Ltée, vous verrez la difficulté qu'ils rencontrent lorsqu'il s'agit de ramasser l'argent.

M. Simpson: Je n'ai qu'une autre question. Lorsque vous revendez des articles au Centre d'artisanat, est-ce qu'il vous paie immédiatement ou est-ce que vous lui faites crédit?

M. Solomon: L'argent est là. Comment il s'y trouve peu m'importe, mais il est là. Je paie directement à l'artisan le prix convenu. Si je pense qu'un article vaut un dollar,

[*Text*]

craftsman. If I think an article is worth $1 I offer $1. If I think it is worth $10, that is exactly what I offer, and so on.

Mr. Simpson: Very good.

Mr. Solomon: I would like to enlarge on part of that. It seems to me you were asking how the crafts get to the markets, to the various marketplaces across Canada, to individual shops. This is excellently outlined in a proposal that we made which went to Indian Affairs. It has never been released to anybody and wherever I have gone that proposal has been accepted by Indian people.

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Mr. Simpson: Very good.

Mr. O'Connell: Mr. Chairman, I want to follow a few of the themes that have already been developed with respect to producing and marketing crafts. Would Mr. Solomon comment on the kind of community, as he has found it, that seems most receptive to craft activity? Are they the isolated communities, are they large, small, close to other centres, and so on?

Mr. Solomon: Thank you very much for that excellent question. That is a very particular kind of question that has a great deal to do with craft development in Ontario. The diversions of non-Indian people, the beverage rooms and the television and all the other diversions that there are, tend to take away from a person's spare time and actually I feel that they are terribly destructive, socially destructive of the people; whereas if you get into the more remote communities, they are more close-knit and much more in harmony. With all of the differences there are in these communities, they are still whole communities. They do not tend to go to these kinds of things. They respect what they are, in other words, which is not so of the communities that are mixed up with the white men.

Matachewan is an excellent example of a place where some people simply destroy themselves socially.

Mr. O'Connell: If it is the general situation that it is the more remote communities that would go into craft production, it suggests that these people, too, lack information as to markets.

[*Interpretation*]

j'offre un dollar. Si je crois qu'il en vaut dix, c'est le prix que je lui offre, et ainsi de suite.

M. Simpson: Très bien.

M. Solomon: Je voudrais donner plus de détails sur une partie de ma réponse. Il me semble que vous avez demandé comment les objets d'artisanat parvenaient aux marchés d'un bout à l'autre du Canada, aux diverses boutiques. C'était très clairement indiqué dans une proposition que nous avions faite et adressée au ministère des Affaires indiennes. Elle n'a jamais été publiée, et, partout où je suis allé, cette proposition a été acceptée par les Indiens.

M. Simpson: Très bien.

M. O'Connell: Monsieur le président, je voudrais poser d'autres questions en ce qui concerne la production et la commercialisation des objets d'artisanat. Est-ce que M. Solomon pourrait nous dire dans quel genre de collectivité on semble s'intéresser le plus, d'après ce qu'il a remarqué, à l'artisanat? Est-ce dans les collectivités isolées ou proches des grands centres, dans les grandes ou les petites collectivités, etc.?

M. Solomon: Merci beaucoup, c'est une excellente question. En effet, cela est lié très étroitement aux progrès de l'artisanat dans l'Ontario. Les distractions offertes au non-Indiens, les bars, la télévision, et ainsi de suite, tendent à laisser moins de temps libre aux gens, et, à mon avis, elles sont extrêmement destructrices, du point de vue social; tandis que dans les endroits plus isolés, les collectivités sont beaucoup plus unies et en harmonie. Malgré les divergences qui peuvent opposer les gens, la collectivité demeure unie. Les gens ne cèdent pas à ce genre de tentation. Autrement dit, ils restent davantage eux-mêmes, ce qui n'est pas le cas dans les collectivités où les Indiens se mêlent aux Blancs.

Metachewan est un exemple typique d'endroit où certaines personnes causent purement et simplement leur propre destruction, du point de vue social.

M. O'Connell: Si, de façon générale, ce sont les collectivités isolées qui se lanceraient le plus facilement dans la production d'objets d'artisanat, cela donne à penser que ces gens-là aussi sont mal informés en ce qui concerne les marchés.

[*Texte*]

Mr. Solomon: Absolutely. All of them do, as far as that goes.

Mr. O'Connell: Then are you also saying that the present program, which seems to be built around a warehouse called the Arts and Crafts Centre, does not really develop a system of production and marketing that can be of any use to remote communities?

Mr. Solomon: It does not develop anything. For instance in Big Trout Lake, which is close to Kasabonika, about 55 miles away, I think it is Bill Houston who is the buyer for the Arts and Crafts Centre or for the agency office at Sioux Lookout. The people have written to me and they have sent petitions to me asking if I would go there and help them out. They have even hired a plane on two occasions. Two people have hired a plane at 50 cents a mile to come over and see me and I could not do anything for them. If they want my services, my help, that badly, surely the other service is not the kind of thing they need. They have said that very thing time and again.

Mr. O'Connell: Would you say that these people are prepared for some organization to come into the craft industry for purposes of expanding their production, or are they wishing to sort of deal in an unorganized way?

Mr. Solomon: The craftsman is most concerned, not with an organization of any kind, but that he will be able to sell his work and that he will be able to make whatever adjustments are necessary to make his work more suitable and thus more salable to bring more money into his pockets. That is the whole thing. If it means setting up an organization to facilitate this kind of thing, that is what it means.

Mr. O'Connell: Would they participate in an organization—a sort of Canadian Arctic Producers type of company?

Mr. Solomon: I think they would. They set up a craft guild in Kasabonika and in Webequie. I want them eventually to deal, and as soon as possible, with quality control so that they will be in a position to ship directly to the market. They should be free to do this kind of thing. The only thing is that it costs

• 1200

them not less than 15 cents a pound to ship these things out and if they get stuff in, it costs them the same price.

[*Interprétation*]

M. Solomon: C'est parfaitement exact. Le manque d'information est général.

M. O'Connell: Cela implique aussi, donc, que le programme actuel, qui semble être axé sur une espèce d'entrepôt que l'on nomme Centre d'artisanat, ne met pas vraiment sur pied un programme de production et de commercialisation qui puisse être de quelque utilité aux collectivités isolées?

M. Solomon: Non, en effet. Par exemple, Big Trout Lake, qui se situe à environ 55 miles de Kasabonika, c'est Bill Houston, je crois, qui est acheteur pour le Centre d'artisanat, ou pour le bureau régional de Sioux Lookout. Les gens de là-bas m'ont envoyé des pétitions par écrit sur place pour les aider. Deux fois, ils ont même loué un avion exprès. Deux personnes ont loué un avion, à 50 cents du mille, pour venir me voir, et je n'ai rien pu faire pour elles. Si ces gens-là ont tellement besoin de mes services et de mon aide, il faut en conclure que le service qu'on leur assure actuellement n'est pas satisfaisant. Ils l'ont d'ailleurs répété maintes fois.

M. O'Connell: Est-ce que vous pensez que ces gens sont disposés à accepter un certain degré d'organisation dans l'artisanat en vue d'augmenter leur production, ou qu'ils préfèrent rester inorganisés?

M. Solomon: Ce qui intéresse surtout l'artisan, ce n'est pas l'organisation, mais la possibilité de vendre le fruit de son travail et de le modifier, au besoin, pour qu'il soit mieux adapté au marché, et donc plus facile à vendre et plus rentable. C'est là ce qui lui importe. S'il faut pour cela une certaine organisation, il l'acceptera.

M. O'Connell: Est-ce qu'il accepterait de participer à une organisation—à une compagnie dans le genre de la *Canadian Artic Producers Ltd?*

M. Solomon: Je pense bien que oui. A Kasabonika et à Webequie, les gens ont mis sur pied une association d'artisanat. Je veux qu'ils en arrivent à s'occuper eux-mêmes du contrôle de la qualité et ce, dès que possible, afin qu'ils puissent expédier leurs produits directement sur le marché. Ils devraient être libres de faire ce genre de choses. L'ennui c'est que, pour expédier leurs produits, cela leur coûte au moins 15 cents de la livre, et, s'ils reçoivent leurs matières premières d'ailleurs, cela leur coûte aussi 15 cents de la livre pour les faire venir.

[*Text*]

Mr. Borrie: If I understand you correctly—are you saying that you cannot sell directly to independent retailers? Does everything have to go through the Arts and Crafts Centre?

Mr. Solomon: I am using government money, and it is only logical and only sensible for me to send directly to the craft centre.

Mr. Borrie: This is for you personally, but for any other craftsmen?

Mr. Solomon: The other individuals can sell anywhere they like, in Canada or Europe or anywhere else. There are no restrictions.

Mr. Borrie: Your presentation is a little confusing to me because I really do not know what you are getting at. First of all, you are against the attitude of the Department of Indian Affairs with regard to the craft centre. Then you also state that you are concerned with the independent retailers who are not paying the bills to those who are buying from the craftsmen directly. Do you think this organization is going to prevent all this?

Mr. Solomon: The organization will buy directly from the craftsmen and will provide factual information. It would also provide them with materials at much better prices than they pay now. It would also provide them with the things they need, whether it be tools or whatever. It woul be an independent organization which could sell anywhere in Canada. It could do a selling job, not only in Canada but in the United States and other countries. It would not be within the control of government. This is what the proposal says.

The Chairman: Mr. O'Connell.

Mr. O'Connell: I do not know that you would want any comments on that earlier proposal, and I have rather forgotten many of the details of it. But I think it does bear a little upon the thing we are grappling with here. It seemed to me that that particular proposal was good in that it wanted to build the craftsmen's influence into some kind of production and marketing structure. It wanted them to have some say in it.

At the same time, if I remember correctly, it was in two divisions. The first would be a non-profit corporation that would be interested in quality development, information, and creative development among the craftsmen, and somewhat controlled by them.

[*Interpretation*]

M. Borrie: Si j'ai bien compris, on ne peut pas vendre directement à des détaillants indépendants? Faut-il que tout passe par le centre d'artisanat?

M. Solomon: Dans le cas qui nous occupe, j'utilise l'argent du gouvernement. Il est parfaitement logique que j'envoie directement ces produits au centre d'artisanat.

M. Borrie: C'est vrai pour vous, mais en ce qui concerne les autres Indiens?

M. Solomon: Il n'y a pas de restrictions. Ils peuvent vendre où ils veulent, au Canada, en Europe ou ailleurs.

M. Borrie: Je ne comprends pas très, très bien où vous voulez en venir. D'abord, vous êtes contre l'attitude du ministère des Affaires indiennes en ce qui concerne le centre artisanal. Ensuite, vous venez de nous dire que vous vous préoccupez aussi de ce que les détaillants indépendants ne paient pas l'Indien pour ce qu'ils lui achètent. Est-ce que vous pensez que cette organisation pourra prévenir tout cela?

M. Solomon: L'organisation pourrait acheter directement de l'artisan et fournir les renseignements qu'il faut. Elle pourrait aussi fournir à l'artisan les matières premières à des bien meilleurs prix que ce qu'il doit payer actuellement. Elle pourrait aussi, lui donner ce dont il a besoin, serait-ce des outils ou autre chose. La compagnie à laquelle nous songeons serait une organisation libre qui pourrait vendre n'importe où au Canada, et aussi aux États-Unis et dans le monde. Elle ne serait pas soumise au contrôle de l'État. Voilà ce que nous entendions dans notre proposition.

Le président: Monsieur O'Connell.

M. O'Connell: J'ai oublié certains détails en ce qui concerne cette première proposition. Mais cela a bien trait à la question dont nous nous occupons actuellement. Cette proposition, autant que je me souvienne, était bonne en ce sens qu'on voulait faire valoir l'influence de l'artisan sur une structure d'organisation du marché. Elle voulait que l'artisan ait son mot à dire. En même temps, si je me souviens bien, cette companie était en deux parties, une société sans but lucratif qui s'intéresserait à l'information, à la qualité, à la production, etc., qui serait plus ou moins contrôlée par les artisans.

[*Texte*]

The other would be a commercial kind of operation that would be the economic arm and would be purchasing and selling in the market. But this second agency, a subsidiary of the first, would be rather substantially subsidized by government. It was there that I thought perhaps the thing had not been thought through fully, since if it is substantially subsidized, its purchase policies can be such that it undermines the other competitive channels that are already operating. Moreover, it might tend to pay too little for goods and not be concerned enough with the quality development side that the other body was working on. There seemed to be a contradiction. The more you subsidize, the more you might undermine the development of the industry.

I am not arguing against the proposal. I think it is an excellent basis for discussion. I think what we have now is obviously not doing the job. I suspect it is not doing the job because it is more of a warehousing facility than a market development type of facility. I hope there is some way—perhaps Mr. Solomon could comment on this—we could make a useful intervention here to get an effective non-profit production and marketing agency that has some direction from the craftsmen in it.

Mr. Solomon is stressing the non-government aspect. I like that very much. I suspect if it did not develop markets, it would be a subsidized operation and that has a whole host of difficulties involved in it. I do not know if that has been very useful.

• 1205

Mr. Solomon: I like that very well. Actually the proposal was to buy from the craftsmen at sensible prices according to what we could get for those products. There would be a period of dislocation and finding your way, a few months supposedly. There is always a period of confusion, it seems to me, in that sort of thing. But when we go into the community we would, of course, have a regular buyer and give him a particular area to work in. He would pay whatever seems to be at the moment realistic prices, considering what could be paid in the market, and what the craftsmen have a right to expect. Somewhere he has to find his way in that, the same as I have already done.

[*Interprétation*]

L'autre partie serait une société commerciale, en quelque sorte le bras économique de la première, qui s'occuperait d'acheter et de vendre sur le marché. La deuxième partie, une filiale de la première, serait elle, largement subventionnée par l'État. Et c'est là que peut-être on n'a pas pensé la chose à fond. Puisqu'elle serait subventionnée, elle pourrait faire une lutte peut-être pas très loyale aux autres acheteurs. De plus, elle tendrait peut-être aussi à ne pas payer assez sans se préoccuper suffisamment de la qualité sur laquelle l'autre branche fait porter son effort. Il y a ici une espèce de contradiction, plus on subventionne, plus on sape le développement possible de l'industrie.

Je ne dis pas que ce soit une mauvaise idée, c'est en tout cas, un point de départ pour une discussion éventuelle. Ce qui existe actuellement, je pense, n'est pas satisfaisant. J'imagine que ça ne remplit pas son rôle, en ce sens qu'il s'agit au fond simplement d'un dépôt plutôt que d'un service de mise en marché. J'espère qu'il y a une façon ou une autre de sortir de nos difficultés. Peut-être M. Solomon aurait-il lui-même quelques éclaircissements à nous donner là-dessus. Qu'est-ce que nous pourrions faire d'utile pour mettre au point une institution sans but lucratif pour la mise en marché et sur laquelle s'exercerait l'influence de l'artisan?

M. Solomon a fait état de la liberté d'action de cette compagnie qui serait indépendante de l'État. J'aime l'idée. Et pourtant, j'ai bien peur que si elle ne trouve pas assez de marchés elle sera subventionnée par l'État, ce qui suscite toutes sortes de difficultés. Et je ne sais si cela aura été utile.

M. Solomon: J'aime bien cette idée. Cette proposition visait à acheter directement à l'artisan, à des prix justes et raisonnables, suivant ce que nous pouvions obtenir pour ces produits. Il y aurait une certaine période de tâtonnement pendant laquelle il nous faudrait voir au juste ce qu'il en est, quelques mois, disons. Il me semble que dans ce genre de chose, il y a toujours une période de confusion. Mais, lorsque nous irions dans les différentes collectivités, nous aurions un acheteur, il aurait un territoire et il paierait, ce qui lui semble être, à ce moment-là, un prix réaliste, tenant compte de ce qui peut être obtenu sur le marché, et de ce à quoi l'artisan peut s'attendre. Il doit donc voir au juste ce qu'il en est, tout comme j'ai fait moi-même.

[*Text*]

If the craftsman chooses at any time to say to the buyer, "I do not like your prices; I will sell to somebody else", he is absolutely free to do it. The buyer could then say, "Okay, if you want to sell to somebody else and if you can double your price, that is fine. But if you want to do that all the time, then I am not going to sell you materials. I may not sell you these materials if you are going to sell your product to somebody else".

I am not saying that we would do this or that we would not. It is not likely, because usually the craftsman does not have any choice.

Mr. O'Connell: In a remote community he is not likely to have much choice.

Mr. Solomon: That is right. But the intention was that if the craftsman at any point had a chance to sell his product for even double what we could pay, that is his privilege. If we were not paying the prices, then obviously they would not sell to us, because there is no compulsion whatsoever. If Hudson Bay or a free trader or somebody else wanted to pay better prices, we would have to come up to it.

Mr. O'Connell: Mr. Chairman, could I ask Mr. Solomon another question? Would he see any possibility in developing the present craft centre into a more useful instrument? Could it be spun out a bit from the present departmental housing that it is in? Could it have a board of directors of some kind? Could it move some distance into a non-governmental area and absorb people from the industry, and get some kind of financing that might carry it on? I am not too sure of the history of Canadian Arctic Producers, but it is somewhat removed from government and yet I think it has financial support.

Could you see the present warehousing craft centre emerging as the kind of company you would like to see operating here?

Mr. Solomon: I am not sure how to deal with that question, to be honest with you. I am against this being in the hands of government, for one thing. I see it at a matter of absolute necessity to free this kind of thing, in order to deal in the marketplace effectively.

What was proposed was that we would set up an entirely new thing in Toronto, which from the point of view of those people who put together the financial and business end of it, was a more logical place since there is

[*Interpretation*]

Si l'artisan décide à un moment donné de dire à l'acheteur; «je n'aime pas tes prix, je vais vendre à quelqu'un d'autre», il est libre de le faire. L'acheteur peut alors dire: «bon, si tu veux vendre à quelqu'un d'autre, et si tu peux doubler tes prix, parfait» mais si tu veux toujours faire ça, je ne te vendrai plus les matériaux requis. «Je ne te vendrai peut-être pas ces matériaux si tu vends toujours à quelqu'un d'autre».

Je ne dis pas qu'on le ferait ou pas. Cela n'arriverait certainement pas, car habituellement, l'artisan n'a pas le choix.

M. O'Connell: Oui, dans les collectivités éloignées il n'a pas le choix.

M. Solomon: Oui, mais l'intention était que si à un moment donné l'artisan avait l'occasion de vendre ses produits le double du prix que nous pouvions payer nous-mêmes, alors, ce serait libre à lui de le faire. Si on ne payait pas le prix, ils ne nous vendraient rien, parce qu'il n'y a aucune obligation. Si la compagnie *Hudson Bay*, ou quelqu'un d'autre veut payer mieux, alors il nous faudra être au même niveau.

M. O'Connell: Monsieur le président, est-ce que je pourrais poser une autre question à M. Solomon? Est-ce qu'il voit une possibilité de faire du centre artisanal un instrument plus utile? Est-ce qu'on ne pourrait pas, disons, élaborer un peu à partir du centre tel qu'il est en ce moment? Est-ce qu'il ne pourrait pas y avoir un conseil d'administration qui pourrait, disons, sortir un peu de la sphère gouvernementale, inclure des gens de cette industrie, et obtenir un financement qui pourrait maintenir l'opération. Je ne suis pas sûr au juste de ce qu'il en est des producteurs de l'arctique canadien mais c'est quelque peu éloigné du gouvernement, et cependant, je pense qu'ils reçoivent l'appui financier du gouvernement.

Pourriez-vous concevoir le centre artisanal d'entreposage devenir éventuellement ce genre de société que vous aimeriez-avoir?

M. Solomon: Je ne sais pas trop comment répondre à cette question, pour être honnête. Je ne voudrais pas que cette organisation soit entre les mains de l'État. Il faudrait absolument qu'une organisation comme celle-ci soit libre, c'est une condition absolue si elle veut se mouvoir librement sur le marché.

La proposition voulait que nous créions une organisation absolument nouvelle à Toronto, ce qui du point de vue des gens qui mettraient de l'argent dans notre opération, était beaucoup plus logique. D'autant plus

[*Texte*]

more business done there, and there are more opportunities. There is more of a centre there than in Montreal, Winnipeg, Edmonton, or Vancouver.

Our products then would have gone by the salesmen to the Snow Goose, to other places, to all of the places. One of the essentials of a craft development is quality control, and this is what the buyer would exercise. I hope I have answered your question.

Mr. O'Connell: Yes, I think you have. I would like to ask one further question of the witness, Mr. Chairman. Would he know whether some of the leading craftsmen with whom he has been in touch have had opportunities to come out and actually look at the market in some way and see what is going on at the retailing end? Has there been any system to let them get a first-hand experience of the sort of thing that goes on in the market?

• 1210

Mr. Solomon: Thank you very much for that excellent question. Last summer it was suggested to me by friends in Ottawa that two persons should be selected from each community I was working in, Kasabonika, Webequie, Ogoki, Fort Hope and Landsdowne, and the question was asked, "What do you think of the idea of taking these ten persons out to the marketplace, show them Ottawa, show them the craft centre in Ottawa and how the thing operates, and thus get some knowledge of what it is all about". It was suggested that they be shown the operation at Curve Lake, which is an independent operation outside of government. It has, however, some government support in that they buy when the season is slack. Let these people see the marketplace in Toronto and so on. Let them get acquainted with it.

So I said, "Well I think it is an excellent suggestion." At my first opportunity I went to a colleague and I said, "I have this suggestion that it might be a good thing if I could take ten of these craft workers out of the bush and bring them down". And I said, "Could you do something about it?" He said "Where are we going to get the money?" It is another way of saying "no", and extremely effective.

Mr. O'Connell: I am finished.

The Chairman: I think Mr. Thomson has a question.

Mr. Thomson (Battleford-Kindersley): First, Mr. Chairman, how long does this sitting go on?

[*Interprétation*]

que c'est là où se fait le plus d'affaires en ce domaine. Plus qu'à Montréal, Winnipeg, Edmonton ou Vancouver.

Nous aurions vendu des objets, par exemple à des établissements comme le «Snow Goose». L'essentiel pour faire progresser l'artisanat c'est de contrôler la qualité et c'est le rôle de l'acheteur. J'ai répondu à votre question. J'espère M. O'Connell.

M. O'Connell: Oui, je pense et je voudrais poser, monsieur le président, si vous le permettez une autre question au témoin. Est-ce que le témoin sait si certains des artisans les mieux connus, avec lesquels il a traité, ont eu des occasions de jeter un coup d'œil sur le marché pour voir ce qui se passe au niveau, par exemple du commerce de détail. Est-ce qu'on leur a permis de se faire une idée personnelle de ce qu'est le marché?

M. Solomon: Merci beaucoup de cette excellente question. L'été dernier, des amis à Ottawa m'ont dit qu'il serait peut être bon de faire venir des personnes des endroits où je travaillais, Kasabonika, Webequie, Ogoki, Fort Hope et Lansdowne. La question fut posée «Que pensez-vous de l'idée de faire venir ici à Ottawa, dix personnes pour leur montrer le marché, leur montrer Ottawa, leur montrer le centre artisanal d'Ottawa, leur montrer à peu près comment les choses se passent». On a proposé de leur montrer ce qui se passe à Curve Lake une exploitation indépendante qui est appuyé par l'État, en ce sens que l'État achète durant la morte saison, mais qui est quand même autonome. Qu'on leur permette aussi de voir Toronto pour se mettre au courant des possibilités du marché.

J'ai donc dit: «Cette idée était excellente.» Je suis allé voir un de mes collègues et je lui ai dit: «on m'a proposé qu'il serait peut-être bon que je prenne une dizaine de ces Indiens pour les amener en ville. Je lui ai demandé s'il pouvait faire quelque chose. Il m'a répondu: «Où allons-nous trouver l'argent?» C'est une autre façon de dire non, mais une façon très efficace.

M. O'Connell: J'ai terminé.

Le président: M. Thomson a une question.

M. Thomson: Combien de temps va durer cette séance?

[*Text*]

The Chairman: We will go on to at least 12:30, and perhaps longer.

Mr. Thomson (Battleford-Kindersley): Are we expected to hear and interview these other people?

The Chairman: Mrs. Houston is not scheduled for today, but if you have some direct questions concerning CAP, she indicates she would be prepared to answer them.

Mr. Thomson (Battleford-Kindersley): That is fine. I just wondered whether we had to hear another witness.

The Chairman: The Department has two people here today who are prepared to answer questions concerning the industry sections that deal with the problems Mr. Solomon has raised.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I saw a store at La Ronge run by an Indian co-operative, as I understand it. It was a Sunday and I did not get a chance to go in. But I would have liked to have gone in particularly in view of this line of questioning and the argument that is presented here. To start with, where is this craft centre in Ottawa?

Mr. Solomon: It is at 290 Palace Street. That is in Eastview (Vanier City).

Mr. Thomson (Battleford-Kindersley): In reference to provoking ideas or getting people to become involved in crafts, do you find that they have a prevalence or a surplus of ideas on their own, these people who produce the crafts? Or does someone have to introduce it? Is there a bubbling over of ideas?

Mr. Solomon: Well, not necessarily. Ideas are generated according to—for instance the kind of work that you saw this morning. I bring these things in; they are my own and I can do as I please with them. It is true of craftsmen and artists everywhere, that they are stimulated into creativity by the things they see and the needs that go with them.

Mr. Thomson (Battleford-Kindersley): A further question with reference to marketing. Of the items that you passed around—and there were some things in particular that appealed to me, for example the nut bowl and a pair of house slippers—I can see myself buying these two items on the spot without any further consideration.

What I am saying is that beauty is in the eyes of the beholder, or appeal, if you will. I can see where those who produce the crafts

[*Interpretation*]

Le président: Jusqu'à 12 h 30 au moins.

M. Thomson (Battleford-Kindersley): Est-ce que nous sommes censés entendre ces autres personnes ce matin?

Le président: Madame Houston ne doit pas comparaître aujourd'hui. Toutefois, si vous avez des questions directes à poser en ce qui concerne la CAP, elle sera disposée à répondre.

M. Thomson (Battleford-Kindersley): Parfait, je comprends. Je me demandais si nous allions entendre d'autres témoins.

Le président: On a ici deux personnes du ministère qui sont disposées à répondre à vos questions en ce qui concerne les secteurs industriels touchés par les problèmes dont parle M. Solomon.

M. Thomson (Battleford-Kindersley): Monsieur le président, j'ai vu un magasin à La Ronge qui est un centre de co-opérative. C'était un dimanche, et je n'ai pas pu y pénétrer. Mais j'aurais voulu le faire vus les questions et l'argument qu'on me présente ici. Où est ce centre artisanal à Ottawa?

M. Solomon: 290, rue Palace à Vanier.

M. Thomson (Battleford Kindersley): Lorsqu'il s'agit d'encourager ces gens à faire de l'artisanat, est-ce que vous trouvez qu'ils ont beaucoup d'idées, de l'imagination? Ou est-ce que quelqu'un doit leur donner des idées? Y a-t-il une effervescence d'idées?

M. Solomon: Pas nécessairement. Les idées viennent, par exemple, vous voyez le genre d'objets que j'ai apporté ce matin. J'apporte ces objets qui m'appartiennent et je peux en faire ce que je veux. Tous les artisans et artistes sont encouragés à la production créatrice par ce qu'ils voient et les besoins qui existent.

M. Thomson (Battleford-Kindersley): Une autre question pour ce qui est de la commercialisation des objets que vous avez fait circuler ce matin. Certains objets me plaisaient énormément, notamment le bol pour les amandes, la paire de pantoufles. Je me verrais facilement les acheter à l'instant.

Autrement dit, la beauté de ces objets, leur attrait dépend de celui qui les regarde. Je comprends que ceux qui les produisent n'ont

[*Texte*]

may not necessarily have the same idea as the person who wishes to purchase, and there has to be some resolving of—I can see this conflict of interests, at any rate. You produce something which is nice, but which no one wants. I would think there should be some guidance given here to the people who produce these items.

Mr. Solomon: Well, that is where the buyer comes in. As soon as he finds out no one wants this kind of thing on the market, it is up to him not to buy it. That is where it stops.

Mr. Thomson (Battleford-Kindersley): I

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take it that you rather object to any government intervention in this type of action. Is this true?

Mr. Solomon: Certainly.

Mr. Thomson (Battleford-Kindersley): You are suggesting a co-operative?

Mr. Solomon: I am not suggesting a co-operative, not necessarily, but an organization that will facilitate the selling of the work of the craftsman in the marketplace and facilitate his personal growth.

Mr. Thomson (Battleford-Kindersley): Has the government made any effort in the past to involve itself in this area?

Mr. Solomon: As far as I am aware, all through the past there has been only this craft centre, and this has become more useful only in the last two or three years. Before that it was almost a dead issue, as far as I am concerned.

Mr. Thomson (Battleford-Kindersley): I have purchased some crafts in Saskatchewan on a relatively minor scale. I have one further question, Mr. Chairman. I have a friend in Saskatchewan, an Indian who paints pictures. I ordered some in advance, and I paid a deposit in advance. Do you have any problem in getting delivery on this type of thing? I have not received my pictures yet, and I wanted six.

Mr. Solomon: Sure, we have that kind of problem.

Mr. Thomson (Battleford-Kindersley): I just wondered what the situation was generally, not relating it to any one individual. This chap is quite a good artist, but a little bit slow. So I wondered what your viewpoint was on this.

[*Interprétation*]

peut être pas les mêmes idées que l'acheteur; il faut donc essayer de résoudre ce conflit d'intérêt qui pourrait se présenter. Il est possible de faire quelque chose de très joli, mais que personne ne veut acheter. Il faudrait donner une certaine orientation aux personnes qui les produise.

M. Solomon: C'est là le rôle de l'acheteur. S'il constate que personne ne veut acheter tel article, c'est à lui dene pas l'acheter et tout s'arrête là.

M. Thomson (Battleford-Kindersley): Je

pense que vous vous opposez à ce qu'il y ait une intervention de la part du gouvernement dans ce genre de mesure. Est-ce exact?

M. Solomon: C'est exact.

M. Thomson (Battleford-Kindersley): Vous proposez donc qu'on établisse une co-opérative?

M. Solomon: Non, pas nécessairement une co-opérative, mais un genre de structure qui facilitera la vente des objets de l'artisanat sur la place du marché et lui permette d'étendre son commerce.

M. Thomson (Battleford-Kindersley): Est-ce que le gouvernement a tenté par le passé, d'y participer?

M. Solomon: Pour autant que je sache, il n'y a eu que ce centre d'artisanat, et il n'est devenu utile que depuis deux ou trois ans. Avant c'était pratiquement au point mort.

M. Thomson (Battleford-Kindersley): J'ai déjà acheté certains objets d'artisanat en Saskatchewan. Une autre question, monsieur le président. J'ai un ami en Saskatchewan, un Indien qui fait de la peinture. J'en ai commandé et lui ai versé des arbres. Est-ce que vous éprouvez des difficultés à obtenir livraison? Je n'ai pas encore retenu mes tableaux et j'en avais commandé six.

M. Solomon: Nous avons certainement des problèmes de ce genre.

M. Thomson (Battleford-Kindersley): Je me demandais simplement ce qu'il en était. Non pas pour ce qui est d'une personne, car c'est un excellent artiste, mais un peu lent. Je me demandais ce que vous en pensiez.

[*Text*]

Mr. Solomon: That is one of the problems and one of the reasons why it is better to deal directly for cash.

Mr. Thomson (Battleford-Kindersley): After he has done them?

Mr. Solomon: After he has done them.

Mr. Thomson (Battleford-Kindersley): I see.

Mr. Solomon: Very often this happens. You have lost out personally perhaps, and you may never get your pictures, and that means you lose your money. Multiply that by many thousands of times, not the fact that someone has lost money, but the fact that you wanted the pictures. It is the same as someone who wants an article from a particular craftsman. Even if he has the name of the craftsman and his place of residence and so on, it still rarely works that he can get a satisfactory arrangement between himself and the craftsman.

Mr. Thomson (Battleford-Kindersley): In this sense, you do not think that they could work on consignment? Do you think ordering ahead and giving a deposit works at all?

Mr. Solomon: You could, I suppose, as individuals. I know we have lost money now and again.

Mr. Thomson (Battleford-Kindersley): I am finished.

The Chairman: Mr. Solomon, I have a couple of questions. It would seem to me from the outline of your ideal organization that Canadian Arctic Producers Ltd. fits the bill fairly well. They are not directly controlled by the government; they do have some support from the government financially and I understand there is more on the way. What is your objection to dealing with Canadian Arctic Producers? They have merchandising experience. I understand they purchase articles on consignment and they have quality control for some Eskimo products. Could you see Canadian Arctic Producers developing in a way where they might have an Eskimo division and an Indian division?

Mr. Solomon: No, I cannot see that and I would not want to see it.

The Chairman: Why?

Mr. Solomon: This is difficult to articulate, and it seems to be for many people. Mr. Laing, when he was Minister, wanted to get this kind of fusion, but it has been bucked all along the way. And as far as I am con-

[*Interpretation*]

M. Solomon: C'est un problème, c'est une des raisons pour laquelle je trouve qu'il est préférable d'acheter comptant.

M. Thomson (Battleford-Kindersley): Une fois que l'œuvre est terminée?

M. Solomon: Oui.

M. Thomson (Battleford-Kindersley): Je vois.

M. Solomon: Cela se produit assez souvent. Il est possible que vous avez subi une perte, vous n'avez pas eu vos tableaux, alors vous perdez votre argent. Si vous le multipliez par des milliers de fois, pas simplement le fait que vous ayez perdu de l'argent, mais le fait que vous vouliez le tableau, tout comme quelqu'un d'autre veut un article d'artisanat, d'un artisan en particulier. Même si vous avez le nom de cet artisan et son adresse, et ainsi de suite, il est rare que l'on puisse conclure une entente satisfaisante avec lui.

M. Thomson (Battleford-Kindersley): Vous ne croyez pas qu'ils pourraient accepter des commandes? Vous ne croyez pas que le système des commandes et des arrhes puisse fonctionner?

M. Solomon: Tout dépend de la personne, mais je sais que nous avons perdu de l'argent à l'occasion.

M. Thomson (Battleford-Kindersley): C'est tout, monsieur le président.

Le président: J'aurais quelques questions à poser? Il me semble d'après votre présentation de l'organisation idéale que la *Canadian Artist Producers Ltd.* remplit toutes les conditions. Elle n'est pas directement contrôlée par l'État, mais ils reçoivent son appui financier. Pourquoi vous opposez-vous à avoir affaire à la CAP? Ils ont de l'expérience en commercialisation, et si je comprends bien, ils procèdent par commandes placées à l'avance et exercent certains contrôles de la qualité pour les produits esquimaux. Est-ce que vous prévoyez que la CAP pourrait un jour avoir un service pour les Esquimaux et un service pour les Indiens.

M. Solomon: Je ne le prévois pas et je ne voudrais pas que cela se produise.

Le président: Pourquoi?

M. Solomon: C'est assez difficile à mettre sur pied. Monsieur Laing, lorsqu'il était ministre, a voulu procéder à cette fusion mais on s'y est opposé de toutes parts. Et selon moi, on ne devrait jamais le faire. Il faudrait

[*Texte*]

cerned it should never be. Canadian Arctic Producers should be left alone to do their work. They should be helped to do a better job of what they are doing already before they even think of looking to the immediate needs of Indian people. These are immediate needs.

The Chairman: But if there is no other organization immediately available, would it not be better to deal with something that is already set up than to try to set up another organization that might take two or three years to get moving?

Mr. Solomon: First of all, I do not think they have the room to do it anyway. And I do not see why it should take two or three years to get something like this moving. It is a matter of the people in places of power and influence doing something about these things if they are worth doing. I think we can move fairly quickly if we have to, and if we want to.

We are concerned with regional development; we are concerned with poverty throughout the country. Surely we should start to meet those needs immediately, or at least we should make an attempt.

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The Chairman: Well, I want to get to the root of your objection to using Canadian Arctic Producers. There must be a reason for your objection that you have not expressed. We are here to find out. If you have objections, we would like to hear them.

Mr. Solomon: I have already said that they should be allowed to go ahead and be helped in doing a better job of what they are already doing; and I do not see any reason for their taking on this additional work when apparently their facilities are already taxed right to the limit. They have been in a tremendous turmoil in the last two years, or at least since they have begun, in trying to get enough space in which to work, and in many other things.

The Chairman: In effect, what you are saying is that your experience with Canadian Arctic Producers and your analysis of their operations to date do not encourage you to hope that they could deal effectively with the merchandising of Indian crafts. Is that right?

Mr. Solomon: However you put it, they are already over-burdened. Why should we impose another burden on them? Indian crafts and Eskimo crafts are two entirely different things, although they are both

[*Interprétation*]

laisser CAP faire son travail et essayer de leur faciliter le travail qu'ils font actuellement avant même de songer à voir aux besoins immédiats des Indiens. Ce sont là des besoins immédiats.

Le président: Mais s'il n'y a pas d'autres organisations disponibles, est-ce qu'il ne serait pas préférable d'avoir recours au service déjà en place plutôt que de mettre sur pied une autre organisation qui pourrait prendre deux ou trois ans avant de démarrer?

M. Solomon: Je ne crois qu'il soit possible de le faire. Et je ne vois pas pourquoi il faudrait deux ou trois ans pour faire démarrer une telle organisation. Tout dépend des personnes en place qui pourront user de leurs pouvoirs et de leur influence pour faire quelque chose s'ils jugent qu'il y a lieu. Je pense que l'on peut progresser assez rapidement, si nous le voulons.

Nous nous préoccupons du développement régional, de la pauvreté dans tout le pays. Nous devrions sûrement commencer à satisfaire ces besoins immédiatement, ou du moins essayer de le faire.

Le président: Je voudrais aller au fond de votre opposition à ce qu'on ait recours à la CAP. Vous devez avoir des raisons que vous n'avez pas données. Si vous avez des objections, nous aimerions bien les connaître.

M. Solomon: J'ai déjà dit qu'on devrait permettre à la Canadian Arctic Producers de continuer dans le même sens en améliorant son travail. Je ne vois vraiment pas pourquoi on lui imposerait ce fardeau supplémentaire à un moment où ses facilités de travail sont déjà insuffisantes. Depuis le début, c'est-à-dire depuis deux ans au moins, la CAP a eu énormément de mal à trouver de l'espace, des locaux, etc.

Le président: Bref, autant que vous le sachiez, la CAP, d'après l'analyse que vous en avez faite, ne travaille pas de façon telle qu'elle puisse espérer s'occuper de la commercialisation des objets d'artisanat indiens. N'est-ce pas?

M. Solomon: Si j'ai bien compris, le fardeau de la CAP est trop lourd; pourquoi alors augmenter le poids de ce fardeau? L'art esquimau et l'art indien sont très très différents. Évidemment, ce sont des objets d'arti-

[*Text*]

handcrafted, there is no question about it, and have many similarities.

The Chairman: Thank you. Mr. St-Pierre?

Mr. St-Pierre: Could the witness tell us the essential difference between the merchandising of Eskimo and Indian crafts?

Mr. Solomon: Thank you very much for your question.

Mr. St-Pierre: In terms of merchandising?

Mr. Solomon: This question, I think, can best be answered by the fact that if you are selling Eskimo carvings, and so on, you should know what you are talking about. This is a very essential matter when you come to sell to people. Very often you sell them a great deal more by being able to tell them what it is all about.

Mr. St-Pierre: This is simply a matter of buyer knowledge. Is there no other difference?

Mr. Solomon: I do not see that there is a great deal of difference. I have not been able to go into this kind of thing.

Mr. St-Pierre: I am still puzzled, Mr. Chairman, about why the witness feels so very strongly that Canadian Arctic producers cannot do the job. If their facilities are overtaxed they would presumably have to be extended. On the other hand, if a new company is set up to deal with Indians they would have to find facilities. In the long run, the amount of facility will have to be brought up to whatever the requirement is.

The witness seems to feel very strongly that Canadian Arctic Producers cannot do the job, but he has not explained to me why.

Mr. Solomon: I would like very much to have you ask that same question of Mrs. Houston and Bruce Pearson when you have the opportunity.

Mr. St-Pierre: Yes; but you are our witness at the moment. You are in the business, on behalf of the government, of selling Indian crafts. You have had some difficulties, and here is a government organization which you would prefer not to have assisting you. I am very anxious to know what are your reasons.

Mr. Solomon: I am afraid I lost that question. If you want the answer to why I object so strongly to this kind of thing, it is, as I stated, that these are the people of the business and it should be returned to the people.

[*Interpretation*]

sanat dans les deux cas, faits à la main, il y a des analogies, mais il sne sont pas du tout pareils.

Le président: Merci. Monsieur St-Pierre?

M. St-Pierre: Quelle est la différence essentielle entre la commercialisation de l'art indien et de l'art esquimau?

M. Solomon: Je vous remercie d'avoir posé cette question.

M. St-Pierre: Du point de vue de la commercialisation?

M. Solomon: La meilleure façon de répondre à cette question, c'est de souligner le fait que, si on vend des sculptures esquimaudes, etc., on devrait savoir ce dont on parle. C'est un élément essentiel lorsqu'on doit vendre un article. Il arrive que l'on puisse activer la vente lorsqu'on peut expliquer de quoi il s'agit.

M. St-Pierre: Il s'agit simplement ici des connaissances de l'acheteur. Mais est-ce qu'il n'y a pas d'autres différences?

M. Solomon: Je ne crois pas. Mais je n'ai pas pu, évidemment, me renseigner à fond sur cette question.

M. St-Pierre: Je ne vois encore pas très bien monsieur le président, pourquoi le témoin s'oppose tellement à l'intervention éventuelle de la CAP. Si les moyens mis à la disposition de la CAP ne suffisent pas, il faudra peut-être leur en donner de nouveaux. D'autre part, si on constituait une nouvelle compagnie pour s'occuper des Indiens, il faudrait mettre à leur disposition de nouveaux moyens pour les mettre à la hauteur des exigences. J'ai l'impression que le témoin est persuadé que la Canadian Arctic Producers ne peut pas faire le travail, mais il n'a pas très bien expliqué pourquoi.

M. Solomon: Je voudrais bien que vous posiez la même question à Mme Houston et à Bruce Pearson lorsque vous aurez l'occasion de le faire.

M. St-Pierre: Oui, mais c'est vous qui êtes le témoin actuellement. Vous devez vendre, pour le compte du gouvernement, des objects d'artisanat indiens. Vous avez eu des difficultés, mais vous ne voulez pas bénéficier du concours d'une autre organisation de l'État. Je suis très curieux de savoir pourquoi.

M. Solomon: Je n'ai pas très bien saisi votre question. Si vous voulez la réponse, si vous voulez savoir pourquoi je m'y oppose si vigoureusement, c'est que c'est une affaire qui appartient au peuple et il faudra que ce

[*Texte*]

It is the business of the people and not the business of government, first of all.

To set up a separate company to deal exclusively with Indian crafts is no different, it seems to me, from setting up Northern Electric and General Electric, and so on, to deal with specific kinds of things.

Mr. St-Pierre: Perhaps this should also be done for the Eskimos, then rather than having them deal through CAP—Canadian Arctic Producers.

Mr. Solomon: At the moment they have Canadian Arctic Producers.

Mr. St-Pierre: Yes; but if it is not good for the Indians why should it be good for the Eskimos?

Mr. Solomon: No one has said that it is good for the Eskimos. Actually, there is a great deal of discontent with it, as far as I am aware.

Mr. St-Pierre: Then, fundamentally, you feel that CAP cannot serve Indians or Eskimos as well as could another type of organization?

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Mr. Solomon: I do not want to be led into that kind of thing. CAP is CAP, and it is doing a job. That, as far as I am concerned, is where it ends. Whether it is satisfactory or not, I have not been directly concerned.

My dissatisfaction with having this thing in government, in Indian Affairs, is that many shopkeepers around the country, especially in Toronto, disagree with the buying and everything else about this craft centre.

Mr. St-Pierre: Can you expand on that for us? I am aware of the dissatisfaction.

Mr. Solomon: There is a Miss Margaret MacLean who has a shop on Yonge Street, *Canadian Crafts*, and she has said that there is not a more useless outfit than that craft centre. She will not do business with it, so far as I know—and this was just last January.

Mr. St-Pierre: Why?

Mr. Solomon: I do not know. She did not have time to explain what her reasons were. First of all, she objects very strongly to the woman who runs it, as being a very inept person.

[*Interprétation*]

soit le peuple qui s'en occupe. Il faudra que ce soit confié à des organismes qui ne sont pas des organismes de l'État.

Créer une compagnie pour s'occuper exclusivement des affaires indiennes n'est pas tellement différent, par exemple, que créer des compagnies comme Northern Electric, General Electric, etc. qui doivent s'occuper de certains domaines bien précis.

M. St-Pierre: Est-ce que les Esquimaux ne pourraient pas s'occuper de leurs propres affaires, plutôt que travailler par l'entremise de la CAP, la Canadian Arctic Producers?

M. Solomon: Mais la CAP existe déjà.

M. St-Pierre: Mais si ce n'est pas bon pour les Indiens, pourquoi est-ce que ce serait bon pour les Esquimaux?

M. Solomon: Mais il n'est pas sûr que ce soit bon pour les Esquimaux. A vrai dire, il y a beaucoup de mécontentement à ce sujet, pour autant que je sache.

M. St-Pierre: Alors, si je vous ai bien compris, ni la CAP, ni une autre organisation ne saurait, selon vous, servir les Indiens, ni les Esquimaux?

M. Solomon: Je ne veux pas me laisser entraîner sur ce terrain. La CAP est la CAP, et elle exerce ses fonctions. Pour moi, ça s'arrête là. Je ne sais pas si elle travaille d'une façon très satisfaisante. Je n'ai jamais été mis directement en cause.

Ce qui me déplaît en ce qui concerne l'idée de confier cela au gouvernement, au ministère des Affaires indiennes, c'est qu'il y a beaucoup de boutiquiers, à Toronto, par exemple, qui sont opposés à l'action de ce centre d'artisanat.

M. St-Pierre: Au sujet de ce mécontentement, pourriez-vous nous donner d'autres détails.

M. Solomon: Mlle Margaret MacLean a une boutique, rue Yonge, appelée Canadian Crafts. Selon elle, ce centre d'artisanat est absolument inutile. Elle se refuse à traiter avec lui et cela remonte, si je ne m'abuse, au mois de janvier dernier.

M. St-Pierre: Mais pourquoi?

M. Solomon: Je ne sais pas. Elle n'a pas eu le temps de s'expliquer, mais d'abord, disons qu'elle est très hostile à la dame qui s'occupe de l'affaire. Pour elle, cette personne est absolument inepte.

[*Text*]

Mr. St-Pierre: Thank you, Mr. Chairman.

The Chairman: Are there any further questions? Mr. Simpson?

Mr. Simpson: I have questions, but Mr. O'Connell has a statement he would like to make.

Mr. O'Connell: Mr. Simpson has kindly agreed that I might correct what may have been a false impression I left in talking about subsidies in terms of the proposals that have recently been made to Mr. Solomon's group.

I certainly feel that any kind of organization that develops will be in the area of subsidies for some time, but I consider this a developmental approach. I would draw a distinction between government control, or a government agency, which Mr. Solomon is objecting to, and some other kind of agency which might, nonetheless, require government subsidy.

I do not know whether Mr. Solomon is objecting to subsidy, or to a government agency, and I thought it would only be right to say that, as in CAP, which has to be subsidized—and possibly they will work their way out of that—I would see a need for subsidy for some time. I do not think it has injured CAP. In fact, I would say it is an underlying support. I hope Mr. Soloman would not extend his distaste for government activity to the extent of perhaps denying the role of developmental subsidies.

Thank you, Mr. Simpson.

The Chairman: Mr. Simpson?

Mr. Simpson: Getting back to the craft centre, Mr. Chairman, I would like to ask Mr. Solomon whether the craft centre retails to the public as well as to private craft shops?

Mr. Solomon: So far as I am aware, there are about 400 dealers across Canada who buy from the craft centre. She does not sell otherwise to individuals, as far as I know.

Mr. Simpson: They do not actually retail?

Mr. Solomon: Perhaps to parliamentary wives, or something, like the couple they had last year.

Mr. Simpson: This is something I do not know about, and coming from an area with so much Indian handicraft attached to it possibly I am the one at fault for not knowing more about the crafts centre.

[*Interpretation*]

M. St-Pierre: Merci, monsieur le président.

Le président: Est-ce qu'il y a d'autres questions? Monsieur Simpson?

M. Simpson: J'ai des questions à poser, mais je crois que M. O'Connell a une déclaration à faire.

M. O'Connell: Je pense qu'on pourra me permettre de dissiper une fausse impression en ce qui concerne les subventions. Je songe ici, par exemple, aux propositions faites par le groupe de M. Solomon.

Pour moi, je suis persuadé qu'une organisation éventuellement mise sur pied sera subventionnée pour un certain temps. Je fais ici une distinction entre le contrôle gouvernemental, ou un organisme gouvernemental, auquel s'oppose M. Solomon, et un autre genre d'organisme qui n'aurait pas moins besoin de subventions.

Je ne sais pas si M. Solomon s'oppose aux subventions, ou à la création d'un organisme d'État, mais il faut faire une distinction entre ce qui est subventionné et ce qui appartient à l'État. La CAP, par exemple, reçoit des subventions, et il est très possible qu'elle n'ait pas à être subventionnée un jour. Mais le fait que la CAP ait touché jusqu'ici des subventions ne lui a fait aucun mal. Au contraire, cela a dû lui aider. J'espère que M. Solomon ne s'oppose pas au moins à ce que le gouvernement subventionne une institution comme celle à laquelle il pense. Merci, monsieur Simpson.

Le président: Monsieur Simpson?

M. Simpson: Pour en revenir au centre d'artisanat, monsieur le président, je voudrais demander à M. Solomon si le centre vend au détail au public, et aux boutiques d'artisanat?

M. Solomon: Pour autant que je sache, il y a quatre cents vendeurs, au Canada, qui achètent du Centre d'artisanat. On ne vend pas aux simples particuliers, pour autant que je sache.

M. Simpson: On ne fait pas la vente au détail?

M. Solomon: Peut-être aux femmes des députés, comme l'année dernière.

M. Simpson: Je n'en sais rien. Venant d'une région où il y a tellement d'artisanat indien, je suis peut-être responsable du fait que je ne sois pas mieux renseigné quant au Centre d'artisanat.

[*Texte*]

However, you mentioned a moment ago the cloth that is used in mukluks. I do not recall the name of it. You talked of this material and the beads that the Indian people naturally need for these handicrafts.

Did you or did you not, say that the program in which you are now involved allows you to have these items on hand for the craftsmen?

Mr. Solomon: No; I buy from the crafts centre in a very limited amount. Because it has been so uncertain all the way through I have deliberately dragged my feet in this kind of thing so that I would not get too far ahead of the craftmen; I was always behind their needs. By doing that I would not have a great pile of materials and goods to carry around, as a kind of storekeeper. I did, however, buy from the crafts centre, and I have an order with it now for beads and hides. I sell this to the craftsmen for what it costs from the crafts centre.

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Mr. Simpson: Can these materials be bought by you at places other than the crafts centre? Can they not be bought from wholesalers, or factories?

Mr. Solomon: In the case of some of the materials, I have bought them as an individual out of my pocket and then resold them for whatever I paid for them. That would be possible on an expanded scale, but I do not see it being very practical, from the work I have done up to this point.

Mr. Simpson: I understand.

Mr. Solomon: If I were sure that I could deal from one day to the next, then I could think differently, I could act differently.

Mr. Simpson: Well, again I am not being critical. I am hoping that sometime this Committee will have time to hold a good discussion on this, to see what ideas we could come up with that might be helpful. You also mentioned that if you were taking materials into any one of the communities where they are making these handicrafts, and you found that a person wanted to buy from you and yet was anxious to sell to some other person at a better price, this is fine. Do you think that if a new system is devised, in that system there could be a place for an agency of the government, so that these materials are turned over to the Indian craftsmen regardless of who they may sell to, the underlying idea

[*Interprétation*]

Mais vous parliez, il y a quelques instants, de ces tissus qu'on utilise pour la fabrication des mulnluhs. Je ne me souviens pas du nom de ces tissus, mais enfin, vous parliez de ces tissus et des perles que les Indiens doivent se procurer pour faire ces objets d'artisanat.

Est-ce que vous avez dit vraiment que le programme auquel vous participez maintenant vous permet d'avoir ces choses pour les mettre à la disposition des artisans?

M. Solomon: Non. J'achète du centre d'artisanat en petites quantités, et vu qu'il y a eu une telle incertitude depuis le début, j'ai plutôt hésité, parce que je devais toujours attendre les besoins des artisans. Donc, je n'avais jamais tellement de matériaux en disponibilité, mais je pouvais acheter du centre d'artisanat. J'ai placé une commande auprès du centre d'artisanat pour obtenir ces tissus et ces perles que je vends par la suite aux artisans suivant le prix coûtant.

M. Simpson: Est-ce qu'il n'y a pas d'autres endroits où on pourrait acheter ces matériaux? Vous ne pouvez pas les acheter auprès des grossistes ou des manufacturiers?

M. Solomon: Pour ce qui est de certains matériaux, je les ai achetés en tant que particulier, et ensuite revendus suivant le prix que j'avais payé. Cela pourrait toujours être possible, à une grande échelle, mais ce n'est pas tellement pratique pour ce qui est du genre de travail que j'ai fait jusqu'ici.

M. Simpson: Je vois.

M. Solomon: Si j'étais sûr de pouvoir, d'un jour à l'autre, toujours faire ces ventes alors, je pourrais penser de façon différente, dans un autre contexte.

M. Simpson: Une fois de plus, je n'essaie pas de faire une critique, mais j'espère que ce Comité, à un moment donné, aura le temps voulu pour étudier vraiment la situation, afin de voir quelles suggestions nous pourrions faire pour vous aider. Mais, vous avez aussi parlé du fait que, si vous apportiez des matériaux dans ces collectivités, où on fabrique ces objets d'artisanat, que vous trouviez, disons, une personne voulant acheter des choses que vous aviez et désirant, disons, revendre à quelqu'un d'autre à un meilleur prix. C'est très bien. Mais ne croyez-vous pas, ou croyez-vous plutôt que, si on avait un nouveau système que dans un tel cadre, il y aurait possibilité de voir une agence du gou-

[*Text*]

being to maintain the idea of crafts among the Indian people?

What I am trying to get at is that when our Committee is thinking it over if we did come up with an acceptable suggestion on how your work could be assisted in your desire to help the Indian people, would we be wrong in trying to consider assistance to provide these materials for the Indian people without any strings attached as to who they sold to?

I think that this would encourage more Indian people to continue with the handicraft arts.

Mr. Solomon: I do not see any objection to that whatsoever. But I would like to outline what I would like to do in this particular area. As it is, I am tied down to one very small area, two communities, which I had said I wanted to specialize in for a limited time. But I also wanted to expand to four other communities so that they could begin thinking about developing new ideas and coming up to the standard and quality which I would insist on before I would buy from them. Given this preliminary kind of thing so that we do not go ahead and do the same stupid things that we did before, I would like to train somebody to take my place as quickly as possible in the community, and if necessary bring in somebody from another community who would act directly as a buyer. Then I could move on to another area. I am pinned down in one little area, and I cannot do very much.

If I am able to go ahead for the next six months, this kind of thing should show all the directions necessary about how this kind of operation should be.

Mr. Simpson: One further question. Do you find that in the field of mukluks, jackets, and other moosehide materials, there is a decrease in the availability of hides? Are they starting now to use, as they are in some places in my area, domestic hides instead of bushland hides?

Mr. Solomon: There seems to be quite a revival of this kind of thing, and there was a proposal to make jackets and mitts and all that sort of thing in the Fort William agency. And I asked where they were going to get all the hides, because this year the Ontario Department of Lands and Forests decided there will be fewer deer and fewer moose

[*Interpretation*]

vernement, distribuer ce matériel à l'artisan quel que soit son débouché pour écouler ses produits, mais simplement pour maintenir cette idée d'artisanat auprès des Indiens?

Enfin, ce à quoi je veux en venir, ce à quoi songe notre Comité, si, disons, nous en arrivions à mettre au point une suggestion acceptable quant à la façon de seconder votre travail et, du fait que vous voulez vraiment aider les Indiens, est-ce que nous nous tromperions, disons, si nous songions à aider à ce que ces matériaux soient fournis aux Indiens, sans qu'ils ne soient liés quant à la vente de leurs objets d'artisanat? Ne croyez-vous pas que cela encouragera un plus grand nombre de personnes à maintenir cet artisanat?

M. Solomon: Je ne vois pas d'opposition à cela, mais, seulement, je voudrais expliquer si l'on veut bien me donner un instant pour le faire, ce que je voudrais faire à cet égard. Maintenant, je suis engagé dans un secteur restreint: deux collectivités. Je voulais me spécialiser, pour un temps plutôt limité, mais je voulais aussi prendre de l'expansion dans quatre autres collectivités pour qu'ils puissent commencer à songer, disons, à mettre au point de nouvelles idées et s'établir un niveau de qualité, sur lequel j'insiste, avant de leur acheter des produits afin de ne pas recommencer les mêmes erreurs que nous avons commises par le passé.

Il faudrait former quelqu'un qui puisse me remplacer le plus tôt possible dans ces collectivités. S'il le faut, amener quelqu'un d'une autre collectivité qui pourrait agir indirectement en tant qu'acheteur et, alors, je pourrais aller dans un autre secteur. Je dois agir dans un très petit secteur sinon je ne peux pas faire grand chose.

Si je peux continuer mon travail au cours des prochains six mois on devrait voir l'orientation voulue pour le type d'opération que nous devrions avoir.

M. Simpson: Une autre question, s'il vous plaît. Trouvez-vous que, pour les mocassins, les vestes en peau d'orignal, trouvez-vous que la disponibilité des peaux diminue ou qu'on utilise maintenant, comme on le fait dans ma région, des peaux d'animaux domestiques plutôt que la peau d'un animal de la forêt?

M. Solomon: Ces genres de choses semblent reprendre. On a songé à faire de telles vestes à l'agence de Fort William. Je leur ai demandé où ils prendraient toutes les peaux? Car le ministère des Terres et Forêts de l'Ontario a décidé qu'il n'y aurait que 1235 orignaux et chevreuils qui pourraient être tués, et seulement quelques peaux leur parvien-

[*Texte*]

• 1235

that can be shot, and only a few of those hides come in. We could have a great deal more hides if there was a hide collection program established. There is a kind of informal system now that does bring in some hides. But as I see it, there will be fewer and fewer hides, and there is a need to develop new ideas.

This is exactly what I have been able to do, to a very limited extent. This is the kind of thing that should happen, that we develop new ideas which are acceptable in the marketplace, and that is the only criteria. There would be less need of materials, and this is exactly what has happened with the whalebone in the Arctic, and those are excellent pieces of work.

We must go on to other new ideas, because this is not a static kind of thing.

Mr. Simpson: Do you notice any marked decline in the desire of the native people in these particular areas to continue on with their native handicrafts? What I am getting at is that in the communities I go into, I seem to see fewer women actually doing mukluk work, bead work, and things of that nature. They say the younger ones are not quite as interested as were the older generation. We see that happen.

Mr. Solomon: It is happening, but there is a good and logical reason, and every craftsman must have a good logical reason for producing crafts. If he cannot sell it, obviously he has got to have some reason for making it, for himself or for his neighbours, to trade with them or whatever. If there are not good logical reasons, they will not produce.

If it means bringing money to them and a better income, that is a good logical reason. That is all they need, and that is the whole thing that it hinges on.

The Chairman: Thank you very much, Mr. Solomon, for a very interesting presentation. We will now call upon either Mr. Churchman or Mr. Vokes. I will leave it to you gentlemen to decide, but I have some questions on what the Department is doing about arts and crafts and the industrial division of this Department of Indian Affairs and Northern Development, whichever of your gentlemen wish to testify.

Mr. St. Pierre: May I ask a question, Mr. Chairman?

The Chairman: Yes.

[*Interprétation*]

nent. Nous pourrions avoir plus de peaux si on faisait la cueillette des peaux; disons, le faire sur un plan officieux.

Mais, tel que je conçois la chose, il y aura de moins en moins de peaux.

C'est précisément ce que j'ai pu faire jusqu'à un certain point, mais d'une façon très limitée, en offrant des matières de remplacement Il faut au fur et à mesure mettre au point de nouvelles idées acceptables sur le marché, pour ce qui est de vendre des objets fabriqués avec des matières premières d'origine locale, exactement comme ce qui s'est passé dans l'Arctique où on a fabriqué des objets avec des os de baleines; c'est une excellente pratique. La situation évolue tout le temps; elle n'est pas statique.

M. Simpson: Fort bien. Une autre question. Est-ce que vous avez remarqué une diminution du désir des indigènes de ces régions de poursuivre leur travail d'artisanat? Voici à quoi je songe: dans les endroits où je suis allé, on trouve de moins en moins de femmes qui font ce travail, qui font des décorations en perles, etc. On nous dit que les jeunes sont beaucoup moins intéressés qu'ils ne l'étaient, par exemple, les générations précédentes; est-ce que c'est aussi ce que vous avez vu?

M. Solomon: C'est bien ce qui se passe, mais il doit avoir à cela une bonne raison logique. Si l'artisan ne peut pas vendre ses produits, il n'a plus envie d'en faire. Il ne peut pas en faire simplement pour les échanger avec ses voisins. S'il n'y a pas de bonne raison logique de produire ces choses-là, il n'en fera rien. Si l'artisanat peut lui rapporter quelque chose cependant, sous forme d'argent, il le fera. C'est ce que j'appelle une bonne raison logique.

Le président: Je vous remercie beaucoup, monsieur Solomon. Nous allons maintenant donner la parole à M. Churchman ou à M. Vokes? Vous êtes évidemment parfaitement libres de décider. J'ai des questions à poser en ce qui concerne l'action du ministère dans le domaine de l'artisanat, en ce qui concerne l'action de la direction industrielle du ministère.

M. St-Pierre: J'ai une question, monsieur le président.

Le président: Oui.

[*Text*]

Mr. St. Pierre: Are we now going to be dealing with Canadian Arctic Producers Ltd. in this meeting.

The Chairman: No, we are not going to deal with that, unless you have a particular direct question on it.

Mr. St. Pierre: No, I am looking at the clock and I realize that we do not have very much time left.

Mr. J. W. Churchman (Director, Indian Eskimo Economic Development Branch, Economic Development Program, Department of Indian Affairs and Northern Development): Mr. Chairman, we are happy to be here and hear the presentation this morning. We will do our best to answer any questions that members may like to ask.

The Chairman: Mr. Deakon.

Mr. Deakon: I have a question to ask that arises from statements of the previous witness. I would like to know something more about where the brief or representation made by Mr. Solomon to the Indian Affairs Department has been placed. Where is it? Can you gentlemen answer that question?

Mr. Churchman: Mr. Chairman, in the discussion there was no name given to the brief. Maybe I should ask Mr. Solomon about the brief he is referring to.

Mr. Solomon: This was a proposal. I do not know whether you have a copy of it. Canadian Indian Crafts Limited was the proposal. It was done by Canadian Consociates Limited.

Mr. Deakon: Where did the brief go? That is what I want to know.

• 1240

Mr. Churchman: Some few years ago, the Department commissioned a study by a group based, I believe, in Toronto, called Canadian Consociates Limited. They produced a report and it was received by the Department. It has been studied. We still have it. There are many excellent suggestions in it, and it is far from being shelved or dead. I would say it is a good report, and we like the things that are in it.

The Chairman: Are there any further questions, gentlemen?

Mr. O'Connell: Mr. Chairman, I did not see the report, and I wonder if there is any objection to making it available to Committee members if they wish to study it.

[*Interpretation*]

M. St-Pierre: Va-t-on parler de la *Canadian Arctic Producers*?

Le président: Non, nous n'en traiterons pas sauf si vous avez une question précise à ce sujet.

M. St-Pierre: Non, je voyais le temps passer et je me disais qu'il ne nous reste guère de temps.

M. J. W. Churchman (Directeur de la Division de l'expansion économique des Indiens et des Esquimaux), (Programme d'expansion économique): J'ai été heureux d'entendre ce qu'on vous a dit. Je répondrai volontiers aux questions que l'on voudra bien me poser.

Le président: Monsieur Deakon?

M. Deakon: J'ai une question à poser qui découle de ce qu'a dit le dernier témoin. Je voudrais bien savoir si le ministère a reçu la proposition, le mémoire, dont parlait M. Solomon tout à l'heure?

M. Churchman: Il n'était pas du tout question de ce mémoire dans le témoignage que nous avons entendu jusqu'ici, du moins on ne lui a pas donné de nom. M. Solomon pourrait peut-être nous dire de quoi il s'agit.

M. Solomon: On avait proposé de créer le *Canadian Crafts Limited*; cela avait été présenté par le *Canadian Consociates Limited.*

M. Deakon: Où est ce mémoire? C'est ce que je veux savoir.

M. Churchman: Il y a environ deux ans, le ministère avait demandé, commandé, si vous voulez, une étude à un groupe de Toronto appelé *Canadian Consociates Limited.* Cette firme a produit un rapport. Ce rapport a été reçu par le ministère. Le rapport a été étudié; nous l'avons toujours. On y trouve beaucoup de très bonnes idées, et il est loin d'être abandonné. C'est un excellent rapport et nous aimons beaucoup certaines des idées qu'on y trouve.

Le président: Est-ce qu'il y a d'autres questions? Monsieur O'Connell?

M. O'Connell: Verrait-on un inconvénient quelconque au dépôt du rapport?

[*Texte*]

The Chairman: We could perhaps ask...

Mr. O'Connell: I think we have all developed a very strong interest in it, and I think if the Department was prepared to either give us a digest, or make the report available...

The Chairman: I am not aware, gentlemen, whether or not this report is considered by the Department to be confidential. If it is not confidential I presume we could obtain copies. If it is confidential, then we could not.

Mr. Churchman: Well, Mr. Chairman, the copy that has just been handed to me is stamped "confidential". I did say previously that it was requisitioned by the Department. Fortunately, I did not say which Department. However, I see that it was submitted to the ARDA program.

Mr. Deakon: Has the Department any strong opposition to a proposal to have a company set up through private resources to carry on the marketing of these crafts that the Indians produce?

Mr. Churchman: No. I would say that to the best of my knowledge we have no strong objections. The fact that CAP is in existence and it is that type of a company, highly subsidized as one of the members mentioned this morning, would indicate that we are not opposed to that.

Mr. Deakon: What exactly are the functions of CAP? I am not too familiar with it. Could you please advise us?

Mr. Simpson: Are we not going to have a witness in that connection?

The Chairman: We are going to have a witness, or perhaps two, from CAP at another meeting.

Mr. Deakon: Thank you.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Does the Department have any plans with respect to the Arts and Crafts Centre that might move it somewhat in the direction that the previous witness indicated he would like to see it move?

Mr. Churchman: We will just have to say at this point that the whole situation of handicrafts is under review and very serious consideration and that we hope that there will be some changes in the near future.

[*Interprétation*]

Le président: Nous pourrions peut-être demander à...

M. O'Connell: La chose nous intéresse tous, je pense. Est-ce que le ministère pourrait nous le soumettre sous une forme résumée ou pas?

Le président: Je ne sais, messieurs, si ce rapport est jugé confidentiel par le ministère. S'il n'est pas confidentiel, peut-être pourrions-nous en obtenir des copies. Mais s'il est confidentiel, nous ne le pourrons malheureusement pas.

M. Churchman: La copie qu'on vient de me montrer porte la mention «confidentiel». J'ai dit déjà que c'est une étude ordonnée par le ministère. Heureusement je n'ai pas dit quel ministère. Cependant, je remarque qu'elle a été soumise au programme ARDA.

M. Deakon: Le Ministère s'occuperait-il fortement à la création d'une société dotée de ressources privées pour faire la commercialisation de ces objets d'art que les Indiens produisent?

M. Churchman: Pas du tout. Autant que je sache, nous n'y voyons pas d'inconvénient sérieux. Le fait que CAP existe et qu'elle est justement le genre de compagnie que vous proposez et, fortement subventionnée comme on le disait tout à l'heure ici, indique que nous ne nous opposons nullement à une initiative de ce genre.

M. Deakon: Quelles sont les fonctions de CAP? Je n'en suis pas très au courant. Pourriez-vous nous entretenir à ce sujet?

M. Simpson: N'allons-nous pas entendre un témoin à ce propos?

Le président: Nous allons entendre un ou deux témoins de CAP à une autre réunion.

M. Deakon: Merci.

Le président: Monsieur O'Connell?

M. O'Connell: Que pense faire le Ministère à propos de Centre d'artisanat pour l'orienter dans la direction que le témoin précédent lui a voulu voir prendre?

M. Churchman: Toute la question de l'artisanat est actuellement en train d'être revue très sérieusement et nous espérons que certains changements pourraient bientôt intervenir.

[*Text*]

Mr. O'Connell: That is a very general kind of reply, but perhaps it is the only reply that the witness feels he can give at this time. But we have had some interest developed and I wonder if we could have any further indication of the lines along which the review is taking, what sort of considerations one has in mind, and what kind of options one is looking at? Would it be possible to have a reply along those lines?

Mr. Churchman: Mr. Chairman, I personally have no objection to discussing this aspect but there is the question whether or not we are getting into the policy end of it, and this I am not sure is my field.

Mr. O'Connell: Well, I would not think that a statement of the kind of options that are available is a matter of policy. I am not asking for an indication of what choices are being made but what kind of thing is being looked at, and what are the possibilities?

Mr. Churchman: On this basis, Mr. Chairman the options that I suppose are available or the things that we are looking at areas follows. There is the possibility of expanding the Arts and Crafts Centre as it is set up at the present time. Actually, it should probably be called a warehouse rather than a crafts centre because it is an entirely different operation to CAP. I am afraid I keep mentioning this, knowing that you are going to discuss CAP at a later time and go into more detail on it. But it is a different operation.

It was started a number of years ago to pick up the surplus material produced by Indian craftsmen that they could not sell anywhere else. It has operated on a very meagre budget. As a matter of fact, I think last year we only had about $120,000 with-which to purchase materials from the Indian, craftsmen. Now this could be expanded, and I think this is one of the alternatives. Another alternative of course is to go to an organization similar to CAP—again I keep coming back to this—an organization that Mr. Solomon was speaking of this morning, whereby you have a board of directors, outlets throughout Canada—I think he mentioned four major centres: Montreal, Toronto, Winnipeg, and Vancouver—a heavily subsidized section for the training of people in the craft industry to develop the standards and the quality products that Mr. Solomon spoke of.

This is highly important. One of the problems we have had at the craft shop or the Crafts Centre is that many times we have

[*Interpretation*]

M. O'Connell: C'est une réponse à caractère assez général, mais c'est sans doute la seule réponse que notre témoin pense pouvoir nous donner à l'heure actuelle. Néanmoins nous avons suscité quelque intérêt et je me demande si l'on pourrait nous dire à peu près le sens que prend cette révision. A quoi songe-t-on précisément et quels sont les choix qui se présentent? Pourriez-vous nous éclairer là-dessus?

M. Churchman: Monsieur le président, en ce qui me concerne, je ne m'oppose pas à discuter de cet aspect, mais je me demande si l'on n'est pas en train d'empiéter sur le côté politique de la question, ce qui, à mon avis, n'est pas de mon ressort.

M. O'Connell: Je ne crois pas vraiment qu'une déclaration visant le genre d'options disponibles soit une question de ligne de conduite. Je ne demande pas qu'on m'indique les choix qui sont faits, mais simplement les choix qui se présentent à l'étude, et les possibilités qu'ils comportent.

M. Churchman: Dans ce cas, monsieur le président, les choix qui se présentent et les possibilités qu'ils comportent sont les suivants: nous étudions la possibilité de développer le Centre d'artisanat, tout en maintenant ses structures actuelles. En fait, ce Centre devrait plutôt s'appeler «entrepôt», car ce Centre diffère complètement du CAP. Je ne fais qu'y revenir, sachant très bien que, plus tard, vous serez saisis de la question du CAP, qui est une opération tout à fait différente.

Elle fut créée, il a quelques années, pour disposer de l'excédent des objets produits par les Indiens et qu'ils ne pouvaient vendre ailleurs. Cet organisme disposait d'un budget plutôt maigre. En fait, je pense que l'année dernière, nous ne disposions que de $120,000 pour acheter des objets d'art indiens. On pourrait agrandir cet organisme et ce serait là une des possibilités. Un autre choix serait de s'adresser à un autre organisme comme le CAP—une fois de plus j'y reviens—un organisme qui, comme M. Solomon disait ce matin, disposerait d'un conseil d'administration, de débouchés à travers tout le Canada, je pense qu'il a mentionné quatre centres principaux: Montréal, Toronto, Winnipeg et Vancouver, une section qui disposerait d'importants subsides pour la formation d'artisans pour développer au sein de l'industrie la qualité et les normes de production dont monsieur Solomon nous parlait.

Voilà qui est très important. Il nous est arrivé souvent d'acheter dans les ateliers et au Centre d'artisanat des objets de très mau-

[*Texte*]

purchased material of very low quality which was very difficult to dispose of.

So quality is very important. Personally, I do not think, from what I now about it that the industry itself—that is, if you set up an industry—could support the training and developing quality aspects of it. I think this has to be subsidized. Then, of course, you need the marketing end of it and you need an organized sales staff who are competent in the field to sell to the retail trade, if you are going to stick to the retail trade. And there is another option that you can retail yourself through major outlets or you can run a strictly wholesale business, and I guess you would need good buyers in the field—people who know what they are doing—because as Mr. Solomon so well pointed out this morning, you cannot go out with a price list showing Moccasins at $5.

Just like the man in the outpost who buys fur, you have to know your product; you have to know whether it is a quality product or not.

These are some of the things that we are looking at. Another option I suppose is a co-operative type of organization whereby crafts guilds themselves formed at the production level develop their own wholesaling and retailing, operations.

• 1250

There is another factor, Mr. Chairman, that is coming into this. This is the fact that the provinces are becoming quite interested in this field. Mr. Soloman mentioned Team products this morning in Alberta. Now Team products in again a highly subsidized organization. It is subsidized by the provincial government of Alberta and by Indian Affairs, and they are endeavouring to do what I have already indicated is one of our options which is to produce better products and to find an outlet for them.

They are also endeavouring, with some success, to produce new products. Mr. Simpson has probably seen the leather dresses and garments which have met with considerable success. One young lady ordered one as a wedding dress just a little while ago.

I do not know that I have answered your question, sir, but...

[*Interprétation*]

vaise qualité qui étaient très difficiles à écouler.

Par conséquent, la qualité joue un rôle important. Personnellement, je ne crois pas que l'industrie elle-même, si un jour elle prend forme, puisse se charger des dépenses qu'entraînent la formation des artisans et l'amélioration de la qualité. Je crois que cet aspect doit être subventionné. Puis, vous avez, bien sûr, le côté commercialisation pour laquelle il faut disposer d'un personnel de ventes bien organisé, qui soit compétent sur le marché afin d'écouler la marchandise aux détaillants.

Il y a aussi une autre possibilité qui est celle d'écouler la marchandise par l'entremise d'importants débouchés, ou la possibilité d'exploiter une entreprise de vente en gros, et je suppose que vous auriez également besoin de bons acheteurs sur le marché, c'est-à-dire un personnel qui sait bien ce qu'il fait, car, comme M. Solomon l'a bien fait remarquer ce matin, vous ne pouvez vous présenter sur le marché avec une liste des prix indiquant des «mocassins» à $5.

Tout comme celui qui achète les fourrures directement des trappeurs, vous devez bien connaître la qualité de vos produits; vous devez savoir si la marchandise est de bonne ou de mauvaise qualité. Voilà quelques-unes des possibilités que nous envisageons. Une autre serait une organisation coopérative ou des guildes d'artisanat formées au niveau de la production, qui mettraient au point leurs propres opérations de ventes en gros et en détail.

Il y a, monsieur le président, un autre facteur en cause. Il s'agit du fait que les provinces s'intéressent en ce moment de plus en plus à ce domaine. Ce matin, M. Solomon nous a parlé de la firme *Team Products* de l'Alberta qui est une organisation hautement subventionnée par le gouvernement provincial de l'Alberta et par les Affaires indiennes et ils essaient de faire ce qui est une de nos possibilités à laquelle nous songeons, soit d'assurer une meilleure production et d'y trouver des débouchés.

Ils essaient de même avec un certain succès de mettre au point de nouveaux produits. M. Simpson a sans doute vu les robes et vêtements en cuir, qui ont connu beaucoup de succès. Une jeune fille en a commandé une il n'y a pas longtemps pour sa robe de mariage.

Je ne sais pas si j'ai répondu à votre question. Monsieur mais...

[*Text*]

Mr. O'Connell: Mr. Chairman, that has been very helpful. I think it reinforces a good deal of what Mr. Soloman was saying about the crafts centre. I think it is generally agreed that it really is a sort of warehouse of last resort and that we should not consider we have a program around that kind of centre. It is not developmental and it is not in a position to be concerned with quality, and so on.

I think it reinforces, in another way, Mr. Solomon's plea that we consider something that is spun out some distance from government, because if it is to get into the commercial marketing fields it needs an autonomy somewhat similar to CAP's, though perhaps undoubtedly subsidized from a development point of view.

I think Mr. Churchman's comment has been useful in indicating just what are the limitations of that crafts centre.

Has the Department any estimate of the potential size of the market for Indian crafts in Canada, including export, crafts?

Mr. Churchman: Yes; but this, of course, is really difficult to estimate. However, we base it on the fact that at the moment—and again this is an estimate because we do not have receipts, of that type of thing—about $1.5 million are being returned to the Indian people as a result of the crafts industry. We see this being multiplied at least three times, and perhaps quite a bit more, but with a potential of $4 to $4.5 million, at least. Eskimo arts are estimated at about $1.75 million for the last year, and we estimate those of the Indians at about $1.5 million, on present production. But, again, both can be expanded, the Indian one particularly—and the experts in the field say at least three times.

Mr. O'Connell: One would think so. That is all the more reason for a developmental policy being arranged through the Department to meet that potential. I think that is a very low estimate, but everybody is guessing in this field.

Mr. Churchman: We feel that even on that basis there is good reason to develop it and to support it.

Mr. O'Connell: Has the Department considered craft training schools? Has it taken any initiatives in this area?

[*Interpretation*]

M. O'Connell: Oui, cela fut très utile. Je pense que cela appuie vraiment ce que disait M. Solomon au sujet du Centre d'artisanat. Je pense qu'on en convient que c'est plutôt un entrepôt du dernier ressort et que nous ne devrions pas considéré avoir un programme autour de ce centre. Il ne sert pas au développement et il n'est pas en mesure de se préoccuper des questions de qualité, de production et ainsi de suite.

Je pense que cela appuie d'autant plus cet appel formulé par M. Solomon, soit que l'on puisse s'éloigner quelque peu du gouvernement, parce que, pour s'engager dans le domaine de la commercialisation, il faut une certaine autonomie à peu près semblable à celle du CAP, bien que sans aucun doute subventionné en vue du développement. Je pense que ce fut un commentaire des plus utile formulé par M. Churchman, soit de nous indiquer quelles sont les limitations de ces centres d'artisanat.

Est-ce que le ministère a des prévisions quant à l'envergure possible du marché pour l'artisanat indien au Canada, y compris l'artisanat d'exportation?

M. Churchman: Oui, mais suivant les directives que nous recevrons, il ne'st pas facile de faire de telles prévisions. Toutefois, nous les fondons sur le fait qu'en ce moment et ce n'est qu'une simple prévision parce que nous n'avons pas de reçus pour ces genres de choses mais, en ce moment, il y a environ un million de dollars et demi à retourner aux Indiens comme résultat de l'industrie de l'artisanat. Cela pourrait se multiplier au moins par trois, et peut-être même un peu plus, mais il y a possibilité de quatre millions et demi au moins pour cette industrie. Les arts esquimaux sont évalués à environ $1,750,000 pour la dernière année, et ceux des Indiens à environ un million et demi. Mais on peut donner l'expansion aux deux surtout chez les Indiens. Certains des exportateurs prévoient une expansion qui serait triple.

M. O'Connell: Donc, d'autant plus on devrait prévoir au ministère la mise au point d'une ligne de conduite pour répondre à ces possibilités. C'est une évaluation plutôt conservatrice, mais c'est une simple prévision.

M. Churchman: Même à cela nous sommes d'avis qu'il y a d'excellents motifs pour le développer et l'appuyer.

M. O'Connell: Le ministère a-t-il songé à des écoles de formation artisanale? A-t-il pris des initiatives de ce côté?

[*Texte*]

Mr. Churchman: I think Mr. Vokes may have some knowledge of this area.

Mr. Vokes: Mr. Chairman, perhaps I might give a very brief rundown on the situation as it presently stands in Canada.

We estimate that there are about 6,300 Indian people presently active in craft programs. As Mr. Churchman has just mentioned, they are getting about $1.5 million in return.

On Mr. O'Connel's question on the type of training schools, we have the teen program

• 1255

in Alberta, which started in 1966. This is both developmental and marketing, and a large number of training programs are on-going all the time. Incidentally, the teen program employs something like nine Indian and Eskimo people as full-time, paid employees.

In Saskatchewan there is a program going in La Ronge, supported by the federal government, which is managed by two Indian people, and they are carrying out training programs.

In British Columbia during the past year ten training programs were carried out, and nine Indian people were employed to conduct them. There is one in the Yukon which is on-going all the time. I believe some of the members mentioned their visit there recently.

In Manitoba we have somebody on staff who is also carrying out training programs in the Brandon area.

In Ontario Mr. Solomon has been employed by the Department to undertake this kind of work in Northern Ontario. And so the training program goes.

Mr. Churchman: Thank you, Mr. Chairman. That is all I have.

The Chairman: Gentlemen, it is now almost one o'clock. Perhaps we could have one more question.

We will invite you gentlemen to return when CAP is before the Committee.

Mr. Simpson: I assume, then, Mr. Chairman, that we are not passing the estimates in this particular area.

I have one question, though, on the statement about the work that is going on in the various provinces.

[*Interprétation*]

M. Churchman: M. Vokes pourrait peut-être répondre à la question.

M. Vokes: Monsieur le président, je pourrais peut-être vous donner une idée de la situation telle qu'elle se présente maintenant au Canada. Nous prévoyons qu'il y a environ six mille trois cents Indiens qui en ce moment font des travaux d'artisanat. Comme M. Churchman vient de le dire, ils obtiennent environ un million et demi de revenu de ces activités. Au sujet de la question de M. O'Connell quant au genre d'écoles de formation artisanale, nous avons le programme «Teen» en Alberta, qui a été inauguré en 1966. Il s'agit de la commercialisation et de la formation et un grand nombre de programmes de formation sont constamment en marche. En passant, ce programme pour les jeunes emploie environ 9 Indiens et Esquimaux à plein temps.

En Saskatchewan, il y a un programme à la La Ronge appuyé par le gouvernement fédéral et administré par deux Indiens et ils conduisent des programmes de formation.

En Colombie-Britannique au cours de la dernière année, il y a eu dix programmes de formation et neuf Indiens ont travaillé à ces programmes. Il y en a un au Yukon, je pense que certains des députés ont dit qu'ils s'y étaient rendus récemment.

Au Manitoba, nous avons quelqu'un qui fait partie du personnel et qui assure des programme de formation dans la région de Brandon.

En Ontario, M. Solomon est au service du ministère pour faire ce genre de travail dans le nord de l'Ontario. Et ainsi se déroule le programme de la formation.

M. Churchman: Merci beaucoup monsieur le président, c'est tout.

Le président: Messieurs, il est environ une heure. Nous pourrions peut-être permettre une autre question.

Nous vous inviterons à comparaître de nouveau au Comité lorsque nous aurons des représentants du CAP.

M. Simpson: Monsieur le président, j'en conclurais alors que nous n'adoptons pas ce poste des prévisions de dépenses. Il faudra y revenir.

Je voudrais simplement maintenant poser une question à l'égard de déclarations portant sur le travail qui se fait dans les différentes provinces.

[*Text*]

Is this set up at the suggestion of your regional offices, or is it set up on a handicraft policy in Ottawa? I knew before you mentioned it that there is a good one in Brandon, but why do we not have a little more activity in the northern part of Manitoba where the majority of the Indian people live?

Mr. Churchman: Primarily, Mr Chairman, it is the regional people who make the recommendations, and they are usually financed out of their budget. However, suggestions are made both ways. We try to keep a two-way communication with the regions. If we have suggestions we make them, and they do also.

Some of the initiatives of course, come from the Indian people and some from the Provinces.

At the moment we are having discussions with Manitoba on a proposal that they are—I was going to say "pushing"—putting forward, and we like it and are interested in it. We are trying to work out an arrangement with them whereby we get some more development along these lines.

One fact that we run into here is that it is not just Indian people who are band members or have treaty cards who produce Indian handicraft. Many people of Indian origin, or the Metis people, also produce. The provinces are very much interested of course, in this area, so we find that we can work together; and there is good reason to work together on this kind of program.

Mr. Simpson: I have one further question. I may not be able to be at the next Committee meeting when the witnesses appear. It was mentioned that roughly $100,000 was allotted for purchasing by the crafts centre. How many people are actually employed at the crafts centre?

Mr. Churchman: There are six people at the crafts centre.

• 1300

Mr. Simpson: When the witnesses next appear could they have for the Committee a rundown on the amounts spent on purchasing back, say, to 1960, or for however long it has been going, but not more than for the last eight years, and the annual budget of the crafts centre over those years? We could then make some comparisons on how it is operating.

[*Interpretation*]

Cela est-il constitué à la suggestion de vos bureaux régionaux ou est-ce que cela est constitué suivant une politique établie à Ottawa, en matière d'artisanat? Je suis heureux de voir qu'il y en a un excellent à Brandon, que je connaissais avant que vous en parliez. Mais pourquoi n'a-t-on pas un peu plus d'activité dans la région du Nord du Manitoba, où se trouvent la plupart des Indiens?

M. Churchman: Essentiellement, monsieur le président, ce sont les gens du bureau régional qui formule les recommandations et, habituellement, c'est financé à partir de leur budget. Encore, il y a des suggestions qui viennent de part et d'autre. Nous essayons toujours de maintenir les communications avec les régions dans les deux sens, et si nous avons des suggestions à faire nous les formulons et de même en ce qui les concerne.

Une partie des initiatives viennent des Indiens et d'autres des provinces.

En ce moment, nous avons des entretiens avec le Manitoba pour ce qui est des propositions voulant qu'ils fassent un certain programme. Ils ont fait une suggestion et nous l'étudions. Nous aimons travailler avec eux.

Une des choses que nous avons éprouvées, ici, c'est le fait que pour ce qui est de ces Indiens qui sont membres d'une bande ou qui ont des cartes de traité, qui produisent des objets d'artisanat, il y a bon nombre d'Indiens ou de Métis qui font aussi des objets d'artisanat. Les provinces s'y intéressent beaucoup. Et, nous trouvons qu'on peut travailler ensemble pour un tel programme.

M. Simpson: J'ai une autre question. Je ne pourrai peut-être pas être ici à la prochaine réunion du Comité, lorsque les témoins seront là. On a mentionné que quelque $100,000, étaient prévus pour les achats du centre d'artisanat. Combien de personnes sont présentement à l'emploi du centre d'artisanat?

M. Churchman: Il y en a six.

M. Simpson: Peut-être pour ce qui est de la prochaine réunion avec les mêmes témoins, pourriez-vous donner au Comité la ventilation des achats faits, disons, à partir de 1960 ou quelque chose du genre, ou enfin depuis le temps, disons, pour les 8 dernières années, pas plus, et le budget annuel du Centre d'artisanat pour ces années. Nous pourrions alors faire des comparaisons sur le fonctionnement.

[*Texte*]

The Chairman: Mr. Deakon, do you have a question?

Mr. Deakon: I think I had better pass.

Item 1 stood.

The Chairman: The meeting is adjourned to the call of the Chair.

[*Interprétation*]

Le président: Monsieur Deakon vous aviez une dernière question?

M. Deakon: Aussi bien céder le pas parce qu'il est une heure.

Le poste 1 est réservé.

Le président: Le Comité s'ajourne jusqu'à nouvelle convocation du président.

[Text] [Interpretation]

Mr. Churchman: Primarily, Mr Chairman, it is the regional people who make the recommendations, and they are usually financed out of their budget. However, suggestions are made both ways. We try to keep a two-way communication with the regions. If we have suggestions we make them, and they do also.

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Twenty-eighth Parliament, 1968-69

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ON

INDIAN AFFAIRS

AND

NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES

et du DÉVELOPPEMENT

du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS

AND EVIDENCE

PROCÈS-VERBAUX ET

TÉMOIGNAGES

No. 13

THURSDAY, MARCH 13, 1969

LE JEUDI 13 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates

Concernant

Les prévisions budgétaires des affaires indiennes et du Nord canadien

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*) (*Voir Procès-verbaux*)

THE QUEEN'S PRINTER, OTTAWA, 1969

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THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29969—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs. — et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops, Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
[1]Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(*b*) — Conformément à l'article 65(4)*b*) du Règlement

[1] Replaced Mr. Givens on March 12, 1969. — [1] Remplace M. Givens le 12 mars 1969.

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, March 13, 1969.
(14)

The Standing Committee on Indian Affairs and Northern Development met this day at 7:45 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, Southam, Smerchanski, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Cadieu, Orange and Sulatycky.

Witnesses: From the Northern Canada Power Commission: Mr. J. A. MacDonald, Chairman and Mr. E. W. Humphrys, General Manager and Chief Engineer.

On motion of Mr. Simpson, it was

Agreed:—That reasonable travelling and living expenses be paid to Mr. Arthur Solomon who appeared before the Committee on Tuesday, March 11, 1969 and to Professor F. W. Anderson who will be appearing before the Committee on Tuesday, March 18, 1969.

On motion of Mr. Southam, it was

Agreed:—That the answers supplied by the Department of Indian Affairs and Northern Development to questions asked by Mr. Smerchanski at an earlier meeting, be printed as an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix L*)

Mr. Simpson tabled a letter from Mr. Peter W. Elkington of Dawson City in the Yukon, which had attached to it, a summary of an Indian Housing Survey carried out in Dawson City, Yukon. (*See Exhibit II*)

The Chairman called Item L85—Advances to Northern Canada Power Commission—of the estimates of the Department of Indian Affairs and Northern

(*Translation*)

PROCÈS-VERBAL

Le JEUDI 13 mars 1969.
(14)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce soir à 7 h. 45, sous la présidence de M. Watson, président.

Présents: MM. Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, Southam, Smerchanski, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Cadieu, Orange et Sulatycky.

Témoins: De la Commission d'énergie du Nord canadien: M. J. A. MacDonald, président, et M. E. W. Humphrys, directeur général et ingénieur en chef.

Sur la proposition de M. Simpson,

Il est convenu—Que l'on rembourse, dans une mesure raisonnable, leurs frais de déplacement et de séjour à M. Arthur Solomon, qui a comparu devant le Comité le mardi 11 mars 1969, et au professeur F. W. Anderson, qui comparaîtra devant le Comité le mardi 18 mars 1969.

Sur la proposition de M. Southam,

Il est convenu—Que les réponses fournies par le ministère des Affaires indiennes et du Nord canadien à des questions posées par M. Smerchanski lors d'une séance précédente soient imprimées en appendice au procès-verbal et témoignages de ce jour. (*Voir Appendice L*).

M. Simpson dépose une lettre de M. Peter W. Elkington, de Dawson City, dans le Yukon, à laquelle est joint le résumé d'une enquête sur le logement des Indiens effctué à Dawson City. (*Voir Pièce II*).

Le président met en délibération le crédit L85—Avances à la Commission d'énergie du Nord canadien—des prévisions budgétaires du ministère des Affaires in-

29969—1½

Development for the fiscal year 1969-70, so as to allow the Committee to consider the question of Electric Power in the North as ordered by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses and they were questioned.

Later, on motion of Mr. Gundlock, it was

Agreed,—That the question of time limits to be placed on members of the Committee should be referred to the Sub-Committee on Agenda and Procedure.

On the completion of questioning, the Chairman and members of the Committee thanked the witnesses.

At 10:20 p.m., on motion of Mr. Smerchanski, it was

Agreed,—That the Committee adjourn to Tuesday, March 18, 1969.

diennes et du Nord canadien pour l'année financière 1969-1970, afin de permettre au Comité d'examiner la question de l'énergie hydro-électrique dans le Nord, conformément à l'ordonnance du Comité du 10 mars 1969.

Le président présente les témoins, qui répondent ensuite à des questions.

Plus tard, sur la proposition de M. Gundlock,

Il est convenu—Que la question des limites de temps à imposer aux membres du Comité soit renvoyée au comité du programme et de la procédure.

L'interrogatoire terminé, le président et les membres du Comité remercient les témoins.

A 10 h. 20 du soir, sur la proposition de M. Smerchanski,

Il est convenu—Que le Comité s'ajourne jusqu'au mardi 18 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Text*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 13, 1969

• 1944

The Chairman: Gentlemen, I now call the meeting to order.

I would like to receive a motion to pay the expenses of Mr. Solomon, who appeared before us as a witness at the last meeting, and also Professor Anderson, who will be appearing before us on Tuesday, March 18.

Mr. Simpson: I so move.

Motion agreed to.

The Chairman: I would also like to ask for the Committee's permission to table the answers to questions asked by Mr. Smerchanski at our meeting before Christmas and that these answers be printed as an appendix to the minutes of this meeting.

Mr. Southam: I so move.

Motion agreed to.

• 1945

The Chairman: I will now call Item L85.

Mr. Simpson: Mr. Chairman, on a point of order.

The Chairman: Yes.

Mr. Simpson: I have a letter here addressed to myself from a person in Dawson City and it contains information on a housing survey which was taken there by the chief. It is a very short letter and the writer expresses the hope that we find this information useful in the work of the Committee. I have made a copy of it and I would like to table it with the Clerk. I will acknowledge this letter and say that it has been turned over to the Committee.

The Chairman: Is the Committee agreed?

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Chairman, perhaps it might be convenient for me to raise a question of privilege at this point. You will recall last Friday I indicated to the Steering Committee that I felt I would be compelled to raise this point at the first opportunity before

[*Interpretation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le jeudi 13 mars 1969

Le président: Messieurs, la séance est ouverte.

J'aimerais recevoir une motion pour nous permettre de rembourser les frais encourus par monsieur Solomon, qui a témoigné lors de la dernière séance et ceux de monsieur Anderson qui sera ici le mardi 18 mars.

M. Simpson: Je présente cette motion.

La motion est adoptée.

Le président: J'aimerais également obtenir la permission du Comité pour déposer les réponses aux questions posées par monsieur Smerchanski avant Noël et pour faire imprimer ces réponses en appendice aux témoignages de la présente séance.

M. Southam: Je propose la motion à cet effet.

La motion est adoptée.

Le président: Nous allons maintenant étudier le crédit 185.

M. Simpson: J'invoque le Règlement.

Le président: Je vous écoute.

M. Simpson: J'ai ici une lettre que m'a adressée personnellement une personne de Dawson City. Elle contient des renseignements sur une enquête relative au logement menée à cet endroit. Il s'agit d'une brève lettre et le signataire dit espérer que les détails qu'elle contient pourront être utiles au Comité. J'aimerais en déposer une copie auprès du secrétaire. J'accuserai réception de la lettre et avertirai le signataire qu'elle est maintenant entre les mains du Comité.

Le président: Le Comité est d'accord?

Des voix: D'accord.

M. Nielsen: Monsieur le président, peut-être serait-il pratique que je soulève une question de privilège maintenant. Vous vous souviendrez que j'ai averti le comité directeur, vendredi dernier, que je serais forcé de soulever cette question à la première occasion

[*Text*]

embarking on a continuation of our discussions with respect to the Northern Canada Power Commission and public versus private power in the North.

The Yukon's 230,000 square miles and the Northwest Territories' 1,300,000 square miles is a fairly large constituency to get around in during an election campaign. During the last election I requested—it was not offered—the use of an executive aircraft owned by the Yukon Electrical Company Limited, which is one of the main producers and distributors of power in the Yukon Territory. At the time I made that request, I did not think there was even the scintilla of a possibility of any conflict arising.

However, in subsequent conversations with the president of the Yukon Liberal Association—and a recent petitioner in proceedings which have been dismissed in the territorial courts of the Yukon Territory against myself—he informed me that he intended to use this circumstance against me and also that in raising these matters on behalf of Yukon Electrical before this Committee I was merely paying off a debt.

I deny that allegation completely and wish to point out to the Committee—I will not mention the circumstances where potential leaders of one of our national parties used executive aircraft fairly extensively recently—that this particular aircraft was offered to the candidate for the Liberal Party in the Northwest Territories, and because he had already made arrangements he informed Yukon Electrical that he could not use it but that the Liberal candidate in the riding of Athabasca could very well use it, and in fact he did use it fairly extensively.

I raise the matter now because of the fact that when I was confronted with this matter by the president of the Yukon Liberal Association I readily saw that it might consider there would be a conflict. I do not believe there is and I do not believe it interferes with the position I have taken with respect to my stand on private investor-owned utilities as opposed to government-owned utilities in the North.

I propose, unless a substantive objection is raised by some members of the Committee, to pursue that course notwithstanding the kind of confrontation I have explained to you, and I do not believe there is a conflict. That is my question of privilege, Mr. Chairman.

The Chairman: Mr. Nielsen, I think the members of this Committee will accept your declaration in the spirit in which it was given, and we appreciate the frank way in which

[*Interpretation*]

avant de poursuivre nos discussions en ce qui concerne la Commission d'énergie du Nord canadien et les sociétés privées d'énergie électrique.

Les 230,000 milles carrés du Yukon et les 1,300,000 milles carrés des Territoires du Nord-Ouest représentent un vaste territoire à couvrir au cours d'une campagne électorale. Au cours de la dernière campagne électorale, j'ai demandé qu'on me prête un avion appartenant à la *Yukon Electrical Company* qui est l'un des plus importants producteurs et distributeurs d'électricité du Yukon. Au moment où j'ai fait cette demande, je n'ai jamais pensé qu'il y avait la moindre possibilité de conflit d'intérêts.

Or, dans mes conversations subséquentes avec le président de l'Association libérale du Yukon, ce dernier m'a déclaré qu'il avait l'intention d'utiliser ce fait contre moi ajoutant qu'en soulevant certains points au nom de la *Yukon Electrical* devant ce Comité, je ne fais que m'acquitter d'une dette.

Je nie formellement ces allégations et désire souligner, bien que je n'aie pas l'intention de mentionner les circonstances dans lesquelles certains candidats possibles à la direction de l'un de nos partis nationaux ont pu jouir d'un avion privé récemment, que ce même appareil que j'ai utilisé a été offert au candidat libéral qui, parce qu'il avait pris d'autres dispositions, ne pouvait l'utiliser. Il a toutefois ajouté que le candidat libéral dans la circonscription d'Athabasca pourrait peut-être l'utiliser, ce qu'il a d'ailleurs fait.

Je soulève cette question parce que lorsque j'ai abordé ce point avec le président de l'Association libérale du Yukon, j'ai réalisé qu'on pourrait croire qu'il y avait conflit. Je ne crois pas qu'il y en ait et je ne crois pas non plus que ceci entre en ligne de compte dans la position que j'ai adoptée au sujet des entreprises privées d'utilités publiques par opposition aux entreprises publiques.

J'ai l'intention, à moins que certains membres de ce Comité n'y aient de forte objection, de continuer dans le même sens. Je ne crois pas qu'il y ait conflit. Voilà ce que j'avais à dire, monsieur le président.

Le président: Je pense, M. Nielsen, que les membres du Comité vont accepter votre déclaration. Nous sommes sensibles à la franchise avec laquelle vous nous l'avez exposée.

[*Texte*]

it was given. I do not think there is any other comment I need to make on it.

We are now on Item L85 of the estimates

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for the fiscal year 1969-70.

Northern Canada Power Commission

L85 Advances to the Northern Canada Power Commission for the purpose of capital expenditure in accordance with section 15 of the Northern Canada Power Commission Act—$4,040,000

With respect to this item, we will have the opportunity tonight of questioning the president of the Northern Canada Power Commission, as well as the general manager and chief engineer, on any matters which may arise from the answers given by the Northern Canada Power Commission to questions asked by Mr. Nielsen and Mr. Smerchanski before Christmas. Mr. Nielsen, perhaps you could start off the questioning or, if you prefer, Mr. Smerchanski.

Mr. Nielsen: I will defer to Mr. Smerchanski.

Mr. Smerchanski: No, Mr. Nielsen, you can carry on. You have been up there.

Mr. Simpson: Mr. Chairman, on a point of order. I am not raising points of order to hold the meeting up, but I must say that although I am quite in agreement with the carrying on of the procedure we are undertaking, I was under the impression after speaking with you yesterday that tonight we would—and perhaps I got it wrong—deal with the CAP.

The Chairman: My apologies to you, Mr. Simpson.

Mr. Simpson: I am saying this because I have already notified two people in the room that that was what we were dealing with, I have now learned for the first time that we are not dealing with them first.

The Chairman: I owe you an apology, Mr. Simpson, because I did so inform you. Subsequent to my informing you we found out there were some fairly strong reasons for having NCPC before us tonight, and we also ran into some difficulties in getting the witnesses from Canadian Arctic Producers. We will simply have them appear before us at a later date. I intended to inform you on this today, Mr. Simpson.

Mr. Simpson: Thank you, Mr. Chairman.

[*Interprétation*]

Je ne pense pas qu'il y ait d'autres commentaires à faire.

Nous aborderons maintenant l'étude du crédit L85 des prévisions budgétaires pour l'année 1969-1970.

Commission d'énergie du Nord canadien

L85 Avances à la Commission d'énergie du Nord canadien au titre de dépenses en immobilisations conformément à l'article 15 de la Loi sur la Commission d'énergie du Nord canadien—$4,040,000

A ce sujet, nous pourrons interroger, ce soir, le président de la Commission d'énergie du Nord canadien et le directeur général et ingénieur en chef sur tous les sujets qui pourraient vous venir à l'esprit par suite de la lecture des réponses que la Commission a données aux questions posées par messieurs Nielsen et Smerchanski avant Noël. Monsieur Nielsen pourrait peut-être poser les premières questions à moins qu'il ne désire laisser la parole à monsieur Smerchanski.

M. Nielsen: Je vais céder la parole à M. Smerchanski.

M. Smerchanski: Allez-y, plutôt, monsieur Nielsen.

M. Simpson: Monsieur le président, j'en appelle au Règlement. Je ne le fais pas pour retarder cette séance, mais je dois dire que, bien que je sois parfaitement d'accord avec la procédure que nous suivons, j'avais, pour ma part, l'impression, après vous avoir parlé hier, que nous traiterions ce soir de la *Canadian Arctic Producers.*

Le président: Je vous prie d'accepter mes excuses, monsieur Simpson.

M. Simpson: Je vous dis cela parce que je viens de dire à deux personnes dans la salle que c'était ce sujet que nous allions d'abord aborder, et je viens d'apprendre que tel n'est pas le cas.

Le président: Je vous fais des excuses, monsieur Simpson, parce que je ne vous ai pas averti plus tôt. Après notre conversation, nous avons réalisé qu'il serait préférable de recevoir la CENC, ce soir. De plus, il était difficile de faire venir les témoins de *Canadian Arctic Producers.* Par conséquent, ils viendront à un autre moment. J'avais l'intention de vous prévenir aujourd'hui, monsieur Simpson, je m'excuse.

M. Simpson: Merci.

[*Text*]

The Chairman: I am sorry. I offer the same explanation to the Committee.

Mr. Orlikow: Mr. Chairman, I am not worried about that, but I thought we were to have Professor Carr in attendance.

The Chairman: Professor Carr will be appearing before the Committee on Tuesday. He is with us tonight as an observer but he will be with us again on Tuesday.

Mr. Nielsen: Mr. Chairman, perhaps before asking my questions I should point out an error in the appendix which is attached to the letter from the Deputy Minister, Mr. MacDonald, to you of March 4. You will notice on page 4 of Appendix A there appears a list of communities in the Yukon that are...

The Chairman: Which paragraph, Mr. Nielsen?

Mr. Nielsen: At the bottom of page 4, Appendix A. I believe that appears on page 256 of issue No. 11 of the Minutes of Proceedings and Evidence of this Committee. In any event, in referring to the original page 4 of Appendix A, there appear to have been three communities in the Yukon which are served by Yukon Electrical Company which have been omitted from the list.

Those communities are Burwash Landing, Pelly River Crossing and Swift River. None of those communities on that list have been indicated as receiving power from the Yukon Electrical Company, when in fact they do. I request that perhaps an amendment could be made in the Minutes of Proceedings and Evidence, and I am sure that upon reflection Mr. MacDonald will agree that in fact those three communities should be listed.

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One other point, Mr. Chairman. On page 26 of the Minutes of Proceedings and Evidence of November 7, 1968, issue No. 3, Mr. MacDonald undertook to find out the amount of the loss in real terms that was suffered at Coppermine. That may be in the appendix that he has supplied to you, Mr. Chairman. I have not found it, but I have not studied it with meticulous care yet. It may be there, although I did not see it on first perusal.

Mr. Chairman, may I direct the attention of Mr. MacDonald to pages 3 and 4, where he is answering questions put to him by Mr. Smerchanski. He lists a number of plants that are operated by NCPC in the Northwest Territories. I would like to ask him whether any one or more of those several plants have been put

[*Interpretation*]

Le président: La même explication est valable pour l'ensemble du Comité.

M. Orlikow: Je pensais qu'on avait demandé au professeur Carr de venir.

Le président: Le professeur Carr va comparaître mardi. Il est avec nous ce soir à titre d'observateur, mais il sera avec nous mardi.

M. Nielsen: Monsieur le président, je devrais peut-être, avant de poser ma question, vous signaler une erreur qui s'est glissée dans l'appendice à la lettre que le sous-ministre, monsieur MacDonald, vous a adressée le 4 mars dernier. Vous remarquerez, à la page 4 de l'appendice A, la liste des municipalités du Yukon...

Le président: A quel endroit, avez-vous dit?

M. Nielsen: Au bas de la page 4, appendice A. Je crois que vous pourrez le retrouver à la page 256 du fascicule 11 des procès-verbaux et témoignages de ce Comité. Quoi qu'il en soit, à la page 4 du texte original de l'appendice A, on semble avoir oublié les noms de trois municipalités du Yukon qui sont desservies par la *Yukon Electrical Company*.

Il s'agit de Burwash Landing, Pelly River Crossing et Swift River. Aucune de ces collectivités n'a été portée sur la liste, alors qu'elles reçoivent effectivement l'électricité de cette compagnie. Je pense qu'il faudrait amender le texte des procès-verbaux et témoignages et je suis convaincu que monsieur MacDonald admettra que les noms de ces trois collectivités devraient être, en fait, indiqués.

Il y a également autre chose, monsieur le président. A la page 26 des procès-verbaux et témoignages du 7 novembre, il s'agit du fascicule 3, monsieur Macdonald s'est engagé à vérifier l'importance de la perte subie à Coppermine. Ce détail se trouve peut-être dans l'appendice qu'il vous a remis, monsieur le président, mais je ne l'ai pas trouvé. Il est vrai que je n'ai pas scruté le tout. Le détail y est peut-être même si je ne l'ai pas retrouvé à première vue.

Puis-je, monsieur le président, attirer l'attention de M. MacDonald sur les pages 3 et 4 où il répond aux questions de M. Smerchanski. Il donne la liste d'un certain nombre d'usines qui sont exploitées par la CENC dans les Territoires du Nord-Ouest. Est-ce qu'il pourrait nous dire si, parmi ces usines, il y

[*Texte*]

out—and he may have some difficulty here with his hats—to tender by the Department for operation by some person, firm or corporation other than NCPC or the Department.

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission and Deputy Minister, Department of Indian Affairs and Northern Development): No.

Mr. Nielsen: I notice that all of them are in fact being maintained by NCPC.

Mr. MacDonald: Yes, that is the policy.

Mr. Nielsen: Is the Department quite happy with the cost of the operation of all of those plants by NCPC?

Mr. MacDonald: Yes. We were operating in a high cost territory. The word "happy" may not be the happiest choice because we always like to see the costs brought down, but if by implication you mean do we feel the costs could be significantly lower, we have no such feeling.

Mr. Nielsen: Are any other electrical power producing plants operated in the North by any other agency or department of government other than those listed on pages 3 and 4 of Appendix A?

Mr. MacDonald: I was just double checking to make sure that we have not left out some other departments. To the best of my knowledge it is a comprehensive list.

Mr. Nielsen: That was not the question, though, Mr. MacDonald. To your knowledge are any other plants operated by any other department or agency other than the ones listed, which are either operated by the Department of Indian Affairs and Northern Development or NCPC in these areas?

Mr. MacDonald: The Department of National Defence operates plants, but I believe this covers DOT, does it not?

Mr. E. W. Humphrys (General Manager and Chief Engineer, Northern Canada Power Commission): Yes, it includes one DOT operation. There may be one or two others.

Mr. MacDonald: I think the largest exception would be the Department of National Defence.

Mr. Nielsen: Does the Department of National Defence operate plants in locations

[*Interprétation*]

en a qui ont fait l'objet d'appels d'offres de la part du ministère qui voudrait qu'elles soient exploitées par une personne, une compagnie ou une société autre que la CENC ou le ministère.

M. J. A. MacDonald (président de la Commission d'énergie du Nord canadien et sous-ministre des Affaires indiennes et du Nord canadien): Non.

M. Nielsen: Toutes ces usines sont exploitées par la CENC.

M. MacDonald: Oui, telle est notre politique.

M. Nielsen: Est-ce que le ministère est satisfait du coût d'exploitation de toutes ces usines qu'exploite la CENC?

M. MacDonald: Oui, mais vous utilisez le mot «satisfait» qui n'est pas des plus satisfaisants, car nous aimons que les coûts soient les moins élevés. Mais si vous voulez me demander, par là, si ces coûts peuvent être réduits, et de façon importante, je répondrai dans la négative.

M. Nielsen: Est-ce qu'il y a d'autres compagnies d'électricité dans le Nord qui sont exploitées par d'autres agences gouvernementales en dehors de celles citées là?

M. MacDonald: Je suis en train de vérifier, pour m'assurer que nous n'avons pas oublié de ministères, mais je crois que la liste est complète.

M. Nielsen: Non, ce n'était pas la question. La question était de savoir s'il y a d'autres usines qui sont exploitées par d'autres ministères ou autres organismes gouvernementaux, en dehors de celles qui sont, d'après la liste, exploitées soit par le ministère des Affaires indiennes soit par la Commission d'énergie du Nord canadien?

M. MacDonald: Le ministère de la Défense nationale exploite des usines mais je crois que cette liste couvre le ministère des Transports.

M. E. W. Humphrys (Directeur général et ingénieur en chef de la Commission d'énergie du Nord canadien): Oui, elle inclut une usine exploitée par le ministère des Transports. Il y en a peut-être une ou deux autres.

M. MacDonald: Je crois que l'exception la plus importante est le ministère de la Défense nationale.

M. Nielsen: Est-ce que le ministère de la Défense nationale exploite des centrales, dans

[*Text*]

where either the Department or NCPC also operate plants?

Mr. MacDonald: I do not believe so, no.

Mr. Nielsen: Is it the intention of NCPC to take over these DND plants?

Mr. MacDonald: I think we would have to consider each case on its merits. That would be the policy if National Defence were withdrawn from it, but if it is a satisfactory operation and the consumption is entirely National Defence, it probably would not disturb that arrangement.

Mr. Nielsen: Has DND made any such request to NCPC or to the Department?

Mr. MacDonald: No.

Mr. Nielsen: There were attached as part of Appendix A certain agreements between the Northwest Territories Power Commission on the one hand and Yellowknife Power Company Limited—that was an agreement dated December 31, 1951—and in another instance an agreement dated June 1, 1949, between the Northwest Territories Power Commission and Yellowknife Power Company Limited. Was a third agreement dated December of 1961 between the Northern Canada Power Commission and Plains Western Gas and Electric Company Limited. Is it the policy of NCPC to enter into such agreements in areas where they are supplying power to the distributor?

Mr. MacDonald: Mr. Humphrys, would you elaborate on these agreements?

Mr. Humphrys: Under normal circumstances where there is a need for it, the Commission is prepared to enter into an agreement if other circumstances make it practicable to do so. In the case of the Plains Western Gas and Electric Company Limited agreement with Yellowknife, the original agreement was entered into at the very outset of the operations of the Commission, and it expired in 1961. There was then a move to enter into a new agreement, but for a varied number of reasons it was not done. There was no direct need for it at that particular time, although it was the sort of thing that is normally done in business practice.

Where the commission supplies power to private mining companies, it also endeavours to have an agreement, but in some instances it does not have an agreement. The question is what is the real value of an agreement in

[*Interpretation*]

des endroits où la CENC ou le ministère exploitent également des centrales?

M. MacDonald: Je ne le crois pas.

M. Nielsen: Est-ce que la CENC a l'intention de prendre charge de ces centrales?

M. MacDonald: Je pense qu'il faut étudier chaque cas sur ses propres mérites. Nous suivrions certes cette politique si le ministère de la Défense nationale décidait de se retirer de ce domaine, mais s'il s'agit d'une exploitation satisfaisante et que ce ministère consomme toute l'énergie produite, je ne vois pas pourquoi il faudrait modifier la situation.

M. Nielsen: Est-ce que le ministère de la Défense nationale a adressé des demandes en ce sens à la CENC ou au ministère?

M. MacDonald: Non, absolument pas.

M. Nielsen: On a joint d'une part à l'appendice A certains accords passés entre la CENC et la *Yellowknife Power Company Limited*, il s'agit d'accords intervenus le 31 décembre 1951, et d'autre part, un accord, en date du 1er juin 1949, entre la Commission d'énergie des Territoires du Nord-Ouest et la *Yellowknife Power Company Limited*. Il y a eu un troisième accord, datant de décembre 1961, entre la Commission d'énergie du Nord canadien et la *Plains Western Gas and Electric Company Limited*. Est-ce que la Commission d'énergie du Nord canadien a pour politique de passer des contrats de ce genre dans les régions où elle fournit de l'énergie aux distributeurs?

M. MacDonald: Monsieur Humphrys, pourriez-vous donner des précisions au sujet de ces accords?

M. Humphrys: Dans des conditions ordinaires, et lorsque le besoin s'en fait sentir, la Commission est disposée à signer un accord, si les circonstances extérieures le permettent. Dans le cas de l'accord entre la *Plains Western Gas and Electric Company Limited* et Yellowknife, l'accord original a été conclu dès le début de l'exploitation de la Commission, et il a expiré en 1961. Il a alors été question de signer un nouvel accord, mais pour diverses raisons, on ne l'a pas fait. On n'a pas jugé cela comme absolument nécessaire de le faire à ce moment-là, bien que ce soit la façon de procéder normale en affaires.

Lorsque la Commission fournit de l'énergie à une société minière privée, elle cherche à obtenir un accord, mais elle n'en a pas partout. La question c'est de savoir quelle est la valeur réelle d'un accord dans le cas particu-

[*Texte*]

this particular case, and we have not felt a lack of an agreement was a serious handicap either to ourselves or to the customer. Therefore under normal business practice it would be the Commission's normal procedure to do so, but it does not have agreements in every instance.

Mr. Nielsen: Well, would it be fair to suggest, Mr. Humphrys, that it would be a desirable business practice to have an agreement where you have over $500,000 worth of power being sold by the Commission to a distributor each year?

Mr. Humphrys: I do not think it is absolutely necessary if the Commission is confident that the distributor will pay the cost for power and he knows what the cost is going to be. I do not see that an agreement is really an essential document.

Mr. MacDonald: If I may just supplement that. I think an agreement becomes critical when you are contemplating new capital expenditures, and one wants to be certain of the amortization. But as I understand these, that issue does not arise.

Mr. Nielsen: Well would it not assist in crystalizing the plans, in your view, in terms of good business practice, the plans of the distributor with respect to its projected capital investments, if an agreement were in existence which defined clearly what both parties were expecting of each other?

Mr. MacDonald: I would suggest that the critical information is the projected loans for the future. This is where the planning element comes in and, of course, this could be covered by an agreement, or else it is simply a matter of good liaison. But I would repeat, that from

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our point of view I think we would be most concerned about an agreement when we are entering into large capital expenditures ourselves. Or conversely, the customer might want an agreement if there was some uncertainty about our ability to supply. I do not think that applies in this particular case.

Mr. Nielsen: Well, going to the Yukon instance specifically, Mr. MacDonald, I think it is fair to say that there is some kind of a partnership which exists between the investor-owned utility and NCPC in the Yukon. I am referring, for a specific example, to the figures which you gave in your submission to

[*Interprétation*]

lier en cause, et nous ne pensons pas que l'absence d'un accord constitue un désavantage sérieux, que ce soit pour nous-mêmes ou pour le client. Par conséquent, dans des conditions normales d'affaires, la Commission procède ainsi, mais il n'y a pas un accord dans tous les cas.

M. Nielsen: Serait-il juste de dire, monsieur Humphrys, qu'il serait souhaitable qu'un accord soit conclu dans tous les cas où la Commission vend à un distributeur pour plus de $500,000 d'énergie par an?

M. Humphrys: Je ne pense pas que ce soit absolument indispensable, lorsque la Commission est certaine que le distributeur paiera l'énergie qu'on lui fournit et qu'il en connaît le prix. Je ne pense pas qu'un accord soit un document absolument essentiel.

M. MacDonald: Pourrais-je ajouter quelque chose? A mon avis, un accord devient essentiel lorsqu'on envisage de nouvelles dépenses en immobilisations, si l'on veut s'assurer de l'amortissement des frais. Mais, d'après ce que je comprends, la question ne se pose pas ici.

M. Nielsen: A votre avis, est-ce que l'existence d'un accord définissant clairement ce que les deux parties attendent l'une de l'autre n'aiderait pas à cristalliser les projets du distributeur relativement aux dépenses en immobilisations qu'il envisage de faire, ce qui constitue une bonne façon de procéder en matière d'affaires?

M. MacDonald: Je pense que le renseignement fondamental c'est la charge que l'on prévoit pour l'avenir. Bien sûr, c'est là que joue le facteur planification, et, bien sûr, cela peut être réglé par un accord ou simplement par une bonne liaison. Mais, je le répète, pour notre part, nous serions surtout désireux d'avoir un accord lorsque nous-mêmes nous lançons dans de grandes dépenses en immobilisations. Inversement, le client pourrait demander un accord lorsqu'il n'est pas certain que nous allons pouvoir fournir toute l'énergie demandée. Mais, je pense pas que ce soit le cas ici.

M. Nielsen: Monsieur MacDonald, dans le cas précis du Yukon, je pense qu'il est juste de dire qu'il y a un genre d'association entre le service qui est aux mains des investisseurs et la Commission d'énergie du Nord canadien dans le Yukon. Je veux parler, pour citer un exemple précis, des chiffres qui figurent dans

[*Text*]

the Chairman of the Committee with respect to Carmacks. For instance, I note that on page 4 of your Appendix A you again list the Carmacks supply being supplied by the Yukon Electrical Co., listing after a hyphen NCPF hydro supply in 1969. I presume that is an anticipated supply by NCPC as a result of the construction of the transmission line from Whitehorse to Anvil. Has any agreement been reached—in the absence of an over-all agreement between NCPC and Yukon Electric—with respect to the price at which the hydro power is going to be sold to Yukon Electric for distribution in Carmacks? Or has any other agreement been reached between the two of you in this regard?

Mr. Hymphrys: Not as yet.

Mr. Nielsen: Have you started negotiations?

Mr. Humphrys: Yes.

Mr. Nielsen: Is it your intention to enter into a firm written agreement?

Mr. Humphrys: If we can do so, yes.

Mr. Nielsen: I realize you can do it, but is it the intention of doing so?

Mr. MacDonald: I think we would have to state that it would depend upon the circumstances at the time.

Mr. Nielsen: What circumstances, Mr. MacDonald?

Mr. MacDonald: The circumstances that would be prevailing at the time. I, as a member of the Commission, would want to see what it is we were entering into agreement about, and what interest there was between the parties.

Mr. Nielsen: I do not want to split hairs here and I do not think I am doing so, but if the Commission is going to sell power to Yukon Electric, and if it is going to be sold at X cents per kilowatt hour, and if Yukon Electric is going to be expected to be obliged to pay this amount to NCPC, would it not be common business prudence to have them enter into a firm agreement to oblige themselves contractually to pay for the power than they get from NCPC?

Mr. MacDonald: That could be the desirable thing. On the other hand, I simply do not want to say right now, "Yes, we will enter into an agreement," because that might be thought to represent an agreement, and I should not like to be under that kind of com-

[*Interpretation*]

le mémoire que vous avez présenté au président du Comité au sujet de Carmacks. Je vois qu'à la page 4 de votre Appendice A, vous indiquez l'alimentation en énergie de Carmacks comme provenant de la *Yukon Electrical Co.* alimentée à son tour, en 1969, par l'usine hydro-électrique de la C.E.N.C. Je suppose que la C.E.N.C. prévoit de fournir cette énergie à la suite de la construction de la ligue de canalisation entre Whitehorse et Anvil. En l'absence d'un accord global entre la CENC et la *Yukon Electrical Co.* avez-vous conclu un accord relatif au prix auquel vous allez vendre de l'énergie électrique à la *Yukon Electrical Co.* pour que celle-ci la distribue à Carmacks ou quelque autre accord à cet égard?

M. Humphrys: Pas pour le moment.

M. Nielsen: Est-ce que des négociations ont été entamées?

M. Humphrys: Oui.

M. Nielsen: Est-ce que vous avez l'intention de conclure un accord écrit ferme?

M. Humphrys: Si cela est possible, oui.

M. Nielsen: Je sais bien que vous pouvez le faire, mais en avez-vous l'intention?

M. MacDonald: Je pense devoir répondre que tout dépendrait des circonstances du moment.

M. Nielsen: De quelles circonstances, monsieur MacDonald?

M. MacDonald: Des circonstances qui prévaudraient à ce moment-là. En tant que membre de la Commission, je voudrais savoir sur quoi allait porter l'accord, et quel intérêt il y avait entre les parties en cause.

M. Nielsen: Je ne veux pas couper les cheveux en quatre, et je ne pense pas le faire, d'ailleurs. Mais si la Commission doit vendre de l'énergie à la *Yukon Electrical Co.*, qu'elle doive la vendre à X cents le kilowatt, et que la *Yukon Electrical Co.* doive payer cette somme-là à la C.E.N.C. est-ce que la prudence normale ne dicterait pas que l'on exige de cette société un accord ferme qui l'obligerait par contrat à payer l'énergie qu'elle recevra de la C.E.N.C.?

M. MacDonald: Peut-être serait-ce souhaitable. D'autre part, je ne veux pas dire dès maintenant que nous allons conclure un accord, car on pourrait considérer cela comme un engagement de ma part, et je ne voudrais pas être obligé de conclure un

[*Texte*]

pulsion until I see what it is we are agreeing about.

An agreement could provide the things that you were talking about. On the other hand, making power available for sale at the standard rates, with a willing buyer and a willing seller, could also cover it, as in fact it does frequently without the necessity of an agreement. I think if we have an agreement it will be because both parties consider that it is mutually advantageous to have an agreement.

Mr. Nielsen: I find that very hard to accept, Mr. MacDonald. I would suggest to you that it is only common ordinary business prudence and practice for one party when it sells something to another, particularly here where perhaps it exceeds $500,000 a year, to oblige that other party to pay for it, and the other party to oblige NCPC to supply it.

Mr. MacDonald: I do not dispute the necessity to oblige the party to pay for it, Mr. Nielsen, but I am not at all convinced that it necessarily implies having an agreement.

Mr. Nielsen: For instance—perhaps Mr. Humphrys has the answer to this question—power is now supplied or has been supplied to Bear Creek community. Is that correct?

Mr. Humphrys: Yes.

Mr. Nielsen: Is this being billed now, or how is it being paid for? What arrangement exists for this?

Mr. Humphrys: It is being billed to the consumer at Bear Creek in the same fashion as any other consumer in the Dawson area, and he pays the bill.

Mr. Nielsen: And how does the power get out to Bear Creek?

Mr. Humphrys: By a transmission line.

Mr. Nielsen: Who owns the transmission line?

Mr. Humphrys: The Yukon Consolidated Gold Corporation.

Mr. Nielsen: Does the NCPC pay any rent on that line?

Mr. Humphrys: No, there is an agreement with the consumer that the transmission line would remain intact and he would be supplied with power at the Dawson rates. If they

[*Interprétation*]

accord tant que je ne saurai pas sur quoi va porter l'accord.

Un accord pourrait inclure les dispositions dont vous parlez. D'autre part, si l'on fournit de l'énergie à vendre au taux normal, et que le vendeur et l'acheteur soient consentants, cela peut suffire aussi, et suffit d'ailleurs souvent, sans que l'on ait besoin de conclure un accord. Si nous concluons un accord, ce sera, je pense, que les deux parties considéreront que cela est avantageux.

M. Nielsen: J'ai beaucoup de mal à accepter ce point de vue, monsieur MacDonald. Je dirai que c'est une question de prudence commerciale normale: la façon de procéder courante est que la partie qui vend à une autre partie, et tout particulièrement lorsqu'il peut s'agir, comme c'est le cas ici, d'un demi-million de dollars par an, oblige cette autre partie à payer, et que cette autre partie, à son tour, oblige la C.E.N.C. à fournir l'énergie demandée.

M. MacDonald: Je ne nie pas qu'il soit nécessaire d'obliger l'autre partie à payer, monsieur Nielsen, mais je ne suis pas du tout persuadé que cela suppose la conclusion d'un accord.

M. Nielsen: Par exemple—peut-être M. Humphrys a-t-il la réponse à cette question—on fournit actuellement, ou l'on a fourni de l'énergie à la collectivité de Bear Creek. Est-ce exact?

M. Humphrys: Oui.

M. Nielsen: Est-ce que l'on envoie actuellement la facture, ou comment se font les paiements? Quelle est l'entente à cet égard?

M. Humphrys: La facture est envoyée au consommateur de Bear Creek comme à tout autre consommateur de la région de Dawson, et c'est lui qui paie la note.

M. Nielsen: Et comment envoie-t-on l'énergie à Bear Creek?

M. Humphrys: Par une ligne de canalisation.

M. Nielsen: A qui appartient cette ligne?

M. Humphrys: A la *Yukon Consolidated Gold Corporation.*

M. Nielsen: Est-ce que la C.E.N.C. paie la location de cette ligne?

M. Humphrys: Non, il y a accord avec le consommateur selon lequel cette ligne de canalisation restera intacte et l'on fournira à celui-ci de l'énergie au taux en vigueur à

[*Text*]

choose not to have the transmission line there then some other arrangements would have to be made. But it is in his interest to have power at the Dawson rates at the present time.

Mr. Nielsen: Well, let us leave the question of agreements for a moment. In dealing with those parts of the Appendix to your letter to the Chairman, Mr. MacDonald, which refer to Fort Resolution, are any calculations taken into account for federal income taxes when arriving at those conclusions, or for any other normal business overhead of such a nature?

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Mr. MacDonald: The answer to the income tax question is "no", and to the normal overhead "yes."

Mr. Nielsen: Does NCPC in fact pay any federal income tax?

Mr. Humphrys: No.

Mr. Nielsen: Do they pay any territorial taxes?

Mr. Humphrys: Yes, we pay a territorial fuel tax.

Mr. Nielsen: Fuel tax. Which is applicable only in the Northwest Territories. Is that correct?

Mr. Humphrys: That is correct.

Mr. Nielsen: There is no such fuel tax in the Yukon?

Mr. Humphrys: Correct.

Mr. Nielsen: Do NCPC pay any municipal taxes in any of these communities?

Mr. Humphrys: We pay a grant in lieu of taxes equal to the normal assessment and the normal tax rate of the community on executive and administrative property.

Mr. Nielsen: Does that mean on the homes?

Mr. Humphrys: Yes.

Mr. Nielsen: Because that is all there are.

Mr. Humphrys: New office property.

Mr. Nielsen: But the office property in the Yukon is not within the municipality, except in Dawson. Is that correct?

Mr. Humphrys: I think that is correct at the present moment, yes.

[*Interpretation*]

Dawson. Si l'on décidait de ne pas avoir cette ligne de canalisation, il faudrait conclure d'autres accords. Mais pour le moment, c'est dans l'intérêt du consommateur d'avoir de l'énergie au taux en vigueur à Dawson.

M. Nielsen: Laissons de côté un instant la question des accords. Monsieur MacDonald, dans les parties de l'appendice à votre lettre adressée au président qui ont trait à Fort Resolution, est-ce que l'on a tenu compte, pour en arriver à ces conclusions, du calcul de l'impôt fédéral sur le revenu ou de tous autres frais généraux normaux de cet ordre?

M. MacDonald: On a tenu compte des frais généraux, oui, mais pas de l'impôt sur le revenu.

M. Nielsen: En fait, est-ce que la C.E.N.C. paie un impôt fédéral sur le revenu?

M. Humphrys: Non.

M. Nielsen: Paie-t-elle des taxes territoriales?

M. Humphrys: Oui, elle paie une taxe territoriale sur le combustible.

M. Nielsen: Sur le combustible. Cette taxe ne vaut que dans les Territoires du Nord-Ouest. Est-ce exact?

M. Humphrys: Oui.

M. Nielsen: Il n'y a pas de taxe sur le combustible dans le Yukon?

M. Humphrys: Non.

M. Nielsen: Est-ce que la C.E.N.C. paie des taxes municipales dans certaines de ces collectivités?

M. Humphrys: Elle paie une subvention en remplacement de l'impôt équivalente à la cote normale et au taux normal de l'impôt sur les biens immobiliers de l'administration et de la gestion.

M. Nielsen: Entendez-vous par là l'impôt sur les bâtiments?

M. Humphrys: Oui.

M. Nielsen: Parce que c'est tout ce qu'il y a.

M. Humphrys: Les nouvelles propriétés du Bureau.

M. Nielsen: Mais les propriétés qui constituent ce bureau ne se trouvent pas dans la municipalité, sauf à Dawson, n'est-ce pas?

M. Humphrys: C'est exact, en ce moment.

[*Texte*]

Mr. Nielsen: Mr. Chairman, I do not want to take up the whole of the time of the Committee. Perhaps Mr. Smerchanski and others might wish to intervene at this time.

The Chairman: Mr. Smerchanski.

Mr. Orlikow: Mr. Chairman, I would like to raise a point of order. What is the procedure we are following, not just tonight, but what is the procedure we are following in our hearing? Are we agreed on a time period during which a member can ask questions?

The Chairman: We have not discussed this so far in the Steering Committee. It is my feeling that we should limit a member to a maximum of 15 minutes. After he has used up his 15 minutes, if all other members have had a chance to speak, then he would be allowed again. Perhaps if it is agreeable to the Committee, we could make this an order of the Committee now for the remainder of our hearings in this session. Is 10 or 15 minutes—?

Mr. Nielsen: Mr. Chairman, may I speak to that point of order with your permission? I realize that my friends are perhaps impatient with one particular member taking up what appears to be an inordinately disproportionate amount of the time of the Committee. But here we are dealing with a Commission whose operations are confined to two specific areas in Canada with two exceptions, one plant in British Columbia and one in Alberta. And there are two members who are representing constituents who are vitally concerned. While all members are interested in these areas of Canada, I would suggest that there are two who have a very specific obligation and responsibility here, and they may take a little more time than perhaps members from the more southerly parts of Canada are prepared to admit is important.

Mr. Orlikow: Mr. Chairman.

The Chairman: On the same point?

Mr. Orlikow: Yes. I was not expressing any opposition to Mr. Nielsen taking time. It is a very simple matter. Other members of the Committee may have interests in other subjects. I, for example, am developing considerable interest and considerable doubts about the educational system in the northern parts of Canada. Now, if Mr. Nielsen or anybody else can take—can carry a ball for a whole evening, that is fine with me, providing some other time I can do the same thing.

I think your suggestion, Mr. Chairman, is quite fair and all I want is that we should

[*Interprétation*]

M. Nielsen: Monsieur le président, je ne veux pas monopoliser le temps du Comité. Peut-être que M. Smerchanski, ou d'autres, voudraient prendre la parole?

Le président: Monsieur Smerchanski.

M. Orlikow: J'en appelle au règlement, monsieur le président. Quelle est la procédure que nous suivons en général? Quelle est la procédure de nos séances? Sommes-nous d'accord au sujet d'une allocation de temps à chaque député pour poser des questions?

Le président: Nous n'en avons pas discuté, au comité de direction. Il me semble que nous devions limiter chaque député à un maximum de 15 minutes. Après ses 15 minutes, si chaque député a eu l'occasion de parler, on peut lui permettre de parler de nouveau. Si le Comité est d'accord, nous pourrions adopter cette procédure pour le reste de la session. Est-ce que 10 ou 15 minutes...

M. Nielsen: Je voudrais parler au sujet de cet appel au règlement. Je comprends que mes amis sont impatients lorsqu'un député parle beaucoup plus longtemps que les autres. Mais on discute d'une Commission dont l'exploitation se limite à deux régions du Canada avec deux exceptions, une centrale en Colombie-Britannique et une autre en Alberta. Il y a deux députés qui représentent les comtés intéressés. Bien que tous les députés soient intéressés à ces régions du Canada, il y en a deux qui ont des responsabilités très particulières à l'égard de ces comtés et peut-être prendront-ils plus de temps que les députés des autres régions du Canada ne voudraient reconnaître l'importance.

M. Orlikow: Monsieur le président.

Le président: Sur la même question?

M. Orlikow: Oui. Je n'ai exprimé aucune objection à ce que M. Nielsen prenne tout le temps qu'il veut pour poser des questions. La question est très simple. D'autres membres du Comité peuvent s'intéresser à d'autres sujets; moi-même je m'intéresse énormément et je doute sérieusement du système d'enseignement dans les parties septentrionales du Canada. Si M. Nielsen ou quelqu'un d'autre veulent passer toute la soirée à poser des questions, je suis bien d'accord à condition que je puisse en faire autant une autre fois.

Je crois que votre proposition est juste, monsieur le président. Je voudrais que l'on

[*Text*]

adopt a procedure which is applicable at every meeting and equitable to every member. And I think your suggestion is quite fair.

The Chairman: Mr. Deakon.

Mr. Deakon: Mr. Chairman, I understand the concern of Mr. Nielsen who is the member from that particular area and I think we should amalgamate both ideas and adopt a policy such as you have recommended, subject to the consideration Mr. Nielsen brought up that these people should be entitled to speak longer than a 15-minute period.

The Chairman: Well, Mr. Deakon and Mr. Nielsen, I would expect that the Committee members present tonight would not have the same number of questions or want to occupy very much of the time, and I would expect that after the remaining members of the Committee have asked their questions, there will be plenty of time left for Mr. Nielsen.

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I do not think that Mr. Nielsen will run into a problem with time limit tonight. And I would expect that if similar occasions should arise in the future, members will act in the same manner. If somebody has a very specialized field of interest and that topic is before him, it would be likely that he would have more time than the others. But I think that for purposes of orderly procedure, we should adopt an order to this effect. We can perhaps discuss the length of time—10 minutes or 15 minutes—but I think 15 minutes is probably a fair maximum.

Mr. Kaplan.

Mr. Kaplan: Could you put the question? I wanted to suggest on a point of order that we settle it and have a vote and see whether or not it would be 15 minutes.

Mr. Nielsen: On a point of order. I think we are treading some very dangerous ground. Is it in order even to make such a motion? As I understand it, Mr. Chairman, the proceedings here are governed by the new rules that have been implemented in the House, and the rules of debate and time limits apply here equally as they do there. I think we would be setting a very dangerous precedent to...

The Chairman: Gentlemen, since it is not an issue tonight, because we are going to give Mr. Nielsen plenty of time tonight, would everyone agree that we refer this to the Steering Committee? We will make sure we do it in a legal manner, and we will come back at the next meeting with a properly prepared order. Agreed?

[*Interpretation*]

adopte une procédure qui sera valable à toutes les séances et qui serait juste envers tous les députés. Merci, monsieur le président.

Le président: Monsieur Deakon.

M. Deakon: Je comprends l'intérêt de M. Nielsen qui représente ces régions; il me semble qu'on devrait fondre les deux idées et adopter la politique que vous recommandez sous réserve que, comme le dit M. Nielsen, ces députés puissent parler plus que 15 minutes.

Le président: Monsieur Deakon et monsieur Nielsen, je crois que les membres du Comité présents ici ce soir n'ont pas autant de questions à poser et ne prendront pas autant de temps. J'espère que lorsque les autres députés auront posé leurs questions, il restera assez de temps pour que M. Nielsen puisse poser ses questions.

Je ne pense pas que M. Nielsen manquera de temps ce soir. J'espère que si des occasions semblables se présentent à l'avenir, j'espère que les députés agiront de la même façon. Si quelqu'un s'intéresse à une question en particulier, la question à l'étude, il est fort probable que ce député jouira de plus de temps que les autres. Mais afin d'assurer une procédure ordonnée, il me semble qu'on devrait adopter un règlement à cet effet. On pourrait discuter pour savoir s'il faut accorder 10 ou 15 minutes, mais il me semble que 15 minutes serait probablement acceptable. M. Kaplan?

M. Kaplan: Voulez-vous mettre la question aux voix? Je voudrais que l'on ait un vote, pour régler la question des 15 minutes.

M. Nielsen: J'en appelle au Règlement. Il me semble qu'on discute une question épineuse. Je ne sais même pas si une telle motion est recevable. Si je comprends bien, c'est le nouveau Règlement adopté par la Chambre qui gouverne notre procédure et limite les débats qui est en vigueur ici, autant qu'à la Chambre des communes. Je crois que ce serait un précédent dangereux, si...

Le président: Il ne s'agit pas d'une question à régler ce soir puisque nous accorderons à M. Nielsen tout le temps de parole qu'il désire ce soir. Est-ce que chacun est d'accord pour qu'on réfère cette question au Comité directeur?

Nous nous assurerons que tout soit dans les formes et à la prochaine réunion nous aurons un Règlement à vous soumettre. D'accord?

[*Texte*]

Some hon. Members: Agreed.

The Chairman: Mr. Smerchanski.

Mr. Smerchanski: Mr. Chairman, I have not had sufficient time to go over the tables. I would have liked to compare them with the tables supplied previously, which I am not able to do. However, I would like to find out what the reason is for the plants being owned by one department and being operated and maintained by another. To me it would seem that if the NCPC is supplying power, is it not customary to own those facilities themselves?

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission): Mr. Smerchanski, the situation is largely between the Department of Northern Development and the NCPC, and the basic reason, of course, is that the NCPC is designed primarily to be a commercial-type operation. It is designed to operate where there is a possibility of a revenue at a rate to cover the return on the costs, whereas the Department frequently has had to get into the provision of electricity on what might be called an uneconomic basis for social reasons in very small communities where the size of the plant, would hardly warrant the time of even one man. It is a part-time kind of operation. We sell the electricity at a standard rate of, I think 12 cents per kilowatt hour and the loss is in fact absorbed by the Department for the reasons I have indicated.

If and as these places grow, however, to the point where they might support somewhat more professional bases of maintenance and care, we try to have the Northern Canada Power Commission take them on. But even there, it is a transitional period, and we keep the equipment on the books of the Department, so to speak, to try to get the professional care and maintenance of the Northern Canada Power Commission to be applied to it.

Mr. Smerchanski: On page 4 you have the maintenance by NCPC. Do you take into maintenance the cost of operation and then do you in fact take any depreciation on this?

Mr. MacDonald: You refer now to the departmentally owned facilities?

Mr. Smerchanski: Yes.

Mr. Humphrys: No, there is no depreciation. The maintenance is done at cost, and I might add that this maintenance is for very small stations such as one supplying a school where the plant is normally run by the school teacher or somebody there, and the Commission technical staff from a neighbouring com-

[*Interprétation*]

Des voix: D'accord.

Le président: M. Smerchanski.

M. Smerchanski: Monsieur le président, je n'ai pas eu le temps d'étudier les tableaux. J'aurais voulu les comparer avec les tableaux qui nous ont été donnés précédemment, ce que je ne peux pas faire. Mais je voudrais savoir pourquoi les centrales sont la propriété d'un ministère et exploitées par un autre ministère? Il me semble que si la CENC fournit l'énergie, est-ce qu'il ne serait pas logique qu'elle en soit le propriétaire?

M. J. A. MacDonald (président, Commission d'énergie du Nord Canadien): Ceci est une question entre le ministère du Nord canadien et la CENC et la raison fondamentale en est que la Commission a été conçue selon les principes de l'entreprise privée. S'il y a possibilité de revenus, son exploitation se ferait à un taux qui permet de tirer un bénéfice, tandis que le ministère a souvent fourni, pour des raisons sociales, de l'énergie sur une base non économique à des collectivités très petites alors que la centrale n'offre pas suffisamment de travail pour un seul homme. C'est une exploitation à temps partiel. On vend l'énergie électrique à un taux normal de 12 cents le kilowatt-heure et la perte est absorbée par le ministère pour les raisons que je viens d'indiquer.

A mesure que ces collectivités s'agrandissent, au point où il y aurait lieu de mettre sur pied une organisation d'entretien et d'exploitation plus professionnelle, nous essayons de remettre ces centrales à la CENC. Mais, même là, c'est une période de transition, et le matériel de ces centrales demeure la propriété du ministère, pour ainsi dire, nous essayons d'en remettre l'entretien professionnel à la CENC.

M. Smerchanski: A la page 4, vous indiquez que l'entretien est fourni par la CENC. Est-ce que l'entretien comprend les frais d'exploitation? Et est-ce que vous comptez un amortissement à cet égard?

M. MacDonald: Vous voulez parler des installations qui appartiennent au ministère?

M. Smerchanski: Oui.

M. Humphrys: Non. Il n'y a pas d'amortissement. L'entretien est fait à contrat, et j'ajoute qu'il s'agit de centrales très petites, comme par exemple, celles qui alimentent une école, et c'est parfois l'instituteur ou un autre qui s'en occupe, et le personnel technique de la Commission dans une ville voisine,

[*Text*]

munity—in this instance it is generally Fort Simpson—make periodic visits to do the maintenance work.

Mr. Smerchanski: Am I correct in saying that where the Department owns the plant, the cost of operation, wages, personnel, fuel and the normal operating costs are the only items that are added to the cost of maintenance by NCPC?

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Mr. Humphrys: The cost of maintenance by NCPC is the actual cost of personnel and supplies and materials.

Mr. Smerchanski: Oh, I see. When you say maintenance you are including the cost of personnel and operation and everything else except depreciation?

Mr. Humphrys: Not of operation, no. Maintenance just means maintaining, repairing or conditioning. The operation is done by a person who lives in this community. It might be the school teacher, the Northern Service Officer or some one else.

Mr. Smerchanski: The cost of operating that plant is not included in these figures, then?

Mr. Humphrys: No.

Mr. Smerchanski: The other question I would like to ask, Mr. Chairman, is, when the Department of Transport, the Department of National Health and Welfare, the Hudson's Bay Company and an RCMP Detachment are at these locations do they usually avail themselves of the power that is generated by the Department-owned plants?

Mr. MacDonald: It would depend on the history of that particular site. It sometimes might have been a Department of Transport site from the beginning and they would have, as we would have done, started a plant themselves.

Mr. Smerchanski: Let us take specifically, Coppermine. What takes place there? Does the RCMP and/or the Hudson's Bay Company, the Department of Transport and/or the Department of National Health and Welfare use the power generated by the plant that is owned by the Department?

Mr. Humphrys: The plant is owned by the Northern Canada Power Commission now. It is operated as a Commission plant and it supplies all the power requirements of the community including all the departments.

[*Interpretation*]

Fort Simpson dans ce cas, qui le visite de temps à autre pour effectuer l'entretien nécessaire.

M. Smerchanski: Ai-je raison de dire que lorsque le ministère est propriétaire, les frais d'exploitation, de salaires et de personnel sont les seuls postes ajoutés aux frais d'entretien par la CENC?

M. Humphrys: Les frais d'entretien de la CENC sont les frais réels de personnel et de matériel.

M. Smerchanski: Lorsque vous parlez d'entretien vous employez les frais de personnel et d'exploitation, tout sauf l'amortissement?

M. Humphrys: Pas les frais d'exploitation. L'entretien comprend seulement l'entretien courant, les réparations et la remise en état. L'exploitation est faite par un résident de la Communauté. Ce peut être l'instituteur, le fonctionnaire du ministère du Nord canadien ou quelqu'un d'autre.

M. Smerchanski: Alors, le coût d'exploitation de la centrale n'est pas inclus dans ces chiffres?

M. Humphrys: Non.

M. Smerchanski: L'autre question que je voudrais poser est celle-ci: lorsque le ministère du Transport, le ministère de la Santé, la compagnie Hudson Bay et le détachement de la Gendarmerie royale sont installés à cet endroit, utilisent-ils l'énergie produite par les centrales du ministère?

M. MacDonald: Tout dépend de l'endroit. C'était peut-être au début une centrale du ministère des Transports. Peut-être avaient-ils mis la centrale sur pied eux-mêmes.

M. Smerchanski: Prenons un exemple concret, à Coppermine, qu'est-ce qui se passe? Est-ce que la Gendarmerie royale, Hudson Bay Company, le ministère des Transports et le ministère de la Santé utilisent l'énergie produite par la centrale qui est la propriété du ministère?

M. Humphrys: Cette centrale est la propriété de la Commission de l'énergie du Nord canadien. Elle est gérée comme une usine de la Commission et elle fournit toute l'énergie de la communauté, y compris les autres ministères.

[*Texte*]

Mr. Smerchanski: All the departments purchase it at the same rate of 12 cents and any deficit is absorbed by the Commission?

Mr. Humphrys: That is right. No, not by the Commission, by the Department.

Mr. Smerchanski: By the Department?

Mr. Humphrys: Yes.

Mr. Smerchanski: Do I understand then that the diesel plant at Coppermine is owned by the Department?

Mr. Humphrys: No, the one at Coppermine is owned by the Northern Canada Power Commission with the power supplied at 12 cents per kilowatt hour to all consumers. The deficit is billed to the Department of Northern Affairs.

Mr. Smerchanski: I see, so in other words, the power plant at Coppermine is operated by Northern Canada Power Commission and the power is sold at 12 cents, but anything that goes to a loss position is charged back to the Department?

Mr. Humphrys: That is correct.

Mr. Smerchanski: In fact then, the Department of Indian Affairs is subsidizing to a smaller or a greater extent the RCMP if they use the power, the Hudson's Bay Company if they use the power, the Department of Transport if they use the power and the Department of Health if they use the power.

Mr. Humphrys: That is correct.

Mr. Smerchanski: Do these four agencies, in fact, use power at Coppermine?

Mr. Humphrys: Yes, indeed, they do.

Mr. Smerchanski: Mr. Chairman, I have one other question that I would like to have answered. Is there any reason why or has anything been done to find out from the Hudson's Bay Company whether or not they can operate, maintain or own these plants and resell the power on a more reasonable basis in some of these outlying points where they have an establishment than is being done by NCPC at the present time?

Mr. MacDonald: I do not think that has ever been said of the Hudson's Bay Company. I do not think we have ever inquired into that possibility.

Mr. Humphrys: I might add that they have been more than anxious to buy power if it were available, regardless of cost, rather than run their own plant in communities where we are operating.

[*Interprétation*]

M. Smerchanski: Tous les ministères l'achètent au tarif de douze sous, et le déficit est payé par la Commission?

M. Humphrys: C'est juste. Oh non pas par la Commission, par le ministère.

M. Smerchanski: Par le ministère?

M. Humphrys: Oui.

M. Smerchanski: Dois-je comprendre que la centrale diesel de Coppermine est la propriété du ministère?

M. Humphrys: Non, celle de Coppermine est la propriété de la Commission de l'énergie du Nord canadien et l'énergie est vendue 12 cents le kilowatt à tous les consommateurs. Le déficit est facturé au ministère du Nord canadien.

M. Smerchanski: Je vois, en d'autres termes, la centrale de Coppermine est exploitée par la Commission de l'énergie du Nord canadien et l'électricité est vendue douze cents le kilowatt, et tout le déficit est facturé au ministère.

M. Humphrys: C'est juste.

M. Smerchanski: En fait, alors, le ministère des Affaires indiennes subventionne, à plus ou moins grande échelle, la Gendarmerie royale, la compagnie Hudson Bay, le ministère des Transports et le ministère de la Santé, s'ils utilisent l'énergie produite.

M. Humphrys: C'est juste.

M. Smerchanski: Est-ce qu'à Coppermine, ces quatre groupes utilisent l'énergie?

M. Humphrys: Oui, ils l'utilisent.

M. Smerchanski: Monsieur le président, j'ai une autre question: A-t-on cherché à savoir si la compagnie Hudson Bay, là où elle est implantée, pourrait exploiter, entretenir ou posséder ces centrales et vendre l'énergie sur une base plus raisonnable que ne le fait la CENC?

M. MacDonald: Je ne pense pas qu'on ait dit cela. Je ne crois pas qu'on ait jamais étudié cette possibilité.

M. Humphrys: Je dois dire qu'ils ont toujours été prêts à acheter l'énergie, si nous en produisions, à n'importe quel prix, plutôt que d'avoir leur propre centrale.

[*Text*]

Mr. MacDonald: In most of these small communities, you know, the provision of power is more of a nuisance problem.

Mr. Nielsen: If you would permit me to interject, is the inference that we are to draw from the answers of both Mr. Humphrys and Mr. MacDonald that it just does not pay private entrepreneurs to get into the power business in the north?

Mr. MacDonald: In the small communities that we are speaking of the answer would be, yes. It would not pay and I doubt if it would pay anybody. When you have to run a plant with the parttime assistance of a teacher—

Mr. Nielson: The teacher operates it at Old Crow. Does this apply to Old Crow, Teslin, Burwash Landing, Beaver Creek and to all of these other communities in the Yukon with 40, 50 or 60 people?

Mr. MacDonald: Generally speaking, the problem is one of a classic nature. When you have a very small consumptive load the real cost of power is probably higher than most people in the community could afford to pay. I am not talking about commercial enterprises because they could afford whatever we had to charge but charging more for the goods in which the people in the communities

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were interested. So there is a powerful element of social need involved in this.

Mr. Nielsen: Is this why NCPC did not supply power to these smaller communities in the Yukon between 1948 and now?

Mr. MacDonald: I cannot give you the reason why NCPC did or did not do anything in that period of time. I know the history of the development of the Northern Canada Power Commission which originally was to supply power where private enterprise would not. There has been a gradual evolvement of this policy under various governments.

Mr. Smerchanski: Mr. Chairman, I would like to ask quite a few more questions, but I would like, as I said, to compare some of these costs which I, as yet, have not had a chance to do. I will come back later. Thank you.

Mr. Nielsen: Mr. Chairman, I have just one related question to the one raised by Mr. Smerchanski, concerning Coppermine. I left the impression previously that Mr. MacDonald had not answered my questions at a previous meeting concerning the element of

[*Interpretation*]

M. MacDonald: Dans la plupart de ces petites collectivités, fournir l'énergie est plutôt un ennui.

M. Nielsen: Permettez-moi d'intervenir, mais il semble ressortir des propos de MM. Humphrys et MacDonald qu'établir une centrale électrique dans le Nord ne permet pas de réaliser des bénéfices.

M. MacDonald: Dans les petites communautés dont nous parlons, oui. On ne peut faire de bénéfices, quel que soit l'exploitant. Lorsqu'il faut faire marcher une centrale avec l'instituteur...

M. Nielsen: C'est l'instituteur qui la fait marcher à Old Crow. Cela s'applique-t-il à Old Crow, Teslin, Burwash Landing, Beaver Creek et toutes ces collectivités du Yukon de 40, 50 ou 60 personnes?

M. MacDonald: Le problème est classique, lorsqu'il y a très peu de consommateurs, le coût de l'énergie est beaucoup plus élevé que ce que la plupart des consommateurs peuvent payer. Je ne parle pas des entreprises commerciales, car elles seraient disposées à payer ce que nous leur demandons, mais elles répercuteraient ce supplément de frais sur leurs marchandises. Donc, il y a là un aspect social.

M. Nielsen: Est-ce la raison pour laquelle la CENC n'a pas fourni d'énergie entre 1948 et maintenant à ces petites communautés du Yukon?

M. MacDonald: Je ne peux pas donner de raison pour laquelle la CENC n'a pas fourni d'énergie pendant cette période.

La Commission de l'énergie du Nord canadien a été instituée pour fournir l'énergie là où l'entreprise privée ne pouvait le faire. Cela a été la politique des divers gouvernements.

M. Smerchanski: Monsieur le président, je voudrais poser quelques autres questions, mais je veux comparer les coûts, et je n'ai pas pu le faire jusqu'ici. Je redemanderais donc la parole plus tard. Merci.

M. Nielsen: Une question, à la suite de celle qui vient d'être soulevée par M. Smerchanski à propos de Coppermine. J'ai eu l'impression que M. MacDonald n'avait pas répondu à mes questions soulevées à la dernière séance, concernant les subventions à Coppermine. J'avais

[*Texte*]

subsidy at Coppermine and I was quite incorrect. The answers are set forth on page 7 of Appendix "A" and show the total revenues or, at least, the expenses of $52,643 which were subsidized to the extent of $29,000 by the Department of Indian Affairs and Northern Development. Is that accurate, Mr. MacDonald?

Mr. MacDonald: Yes.

Mr. Nielsen: I have a question which arises from that and it must take the form of a suggestion to stimulate the thoughts of the other members of the Committee. I know Mr. MacDonald can answer it. The suggestion is advanced here that because the Department pays $29,000 of a $52,000 expense, it is not operating in compliance with the terms of the Act which requires every station to be self-sufficient.

Mr. MacDonald: This is on the account of the Department which is not governed by the Northern Canada Power Commission Act.

Mr. Nielsen: But you are the Chairman.

Mr. MacDonald: I am the Chairman.

Mr. Nielsen: You are the Deputy Minister of the Department.

Mr. MacDonald: I am both, but in separate capacities. The Commission must operate in accordance with the Act. The Department of Northern Affairs operates under the Department of Indian Affairs and Northern Development Act and if we have sufficient authority under the latter Act to do what we have done and we think we have, then what we have done is, I think, quite proper.

Mr. Nielsen: This gives rise to the natural sequel to that question then, Mr. MacDonald. As a personal opinion, if you feel like advancing it, do you believe that the two positions should be separated and that there should be a Chairman of the Commission who is not connected with the Department?

Mr. MacDonald: Both as an official and as a personal opinion I can say, no, I do not think so, because the Northern Canada Power Commission is a very important instrument of economic development of the north and one of the main purposes of the Department of Northern Development is the economic development of the north. There is a very close interrelationship between these two elements. The capital required for the development and the possibility of hydro development in advance of need both demand the very

[*Interprétation*]

tort. Les réponses se trouvent à la page 7 de l'appendice A; on y indique le revenu en total, du moins les dépenses totales: 52,243 dollars, et une subvention de 29,000 dollars qui a été payée par le ministère des Affaires indiennes et du développement du Nord canadien. Est-ce que c'est juste, monsieur MacDonald?

M. MacDonald: Oui.

M. Nielsen: J'ai une question qui relève de cela et elle doit prendre la forme d'une suggestion pour stimuler les membres du Comité. Je sais que M. MacDonald pourra répondre. J'avance que lorsque le ministère paie 29,000 dollars des 52,000 dollars de dépenses, il n'exploite pas en conformité avec la Loi qui demande que chaque centrale soit financièrement autonome.

M. MacDonald: Eh bien ça, c'est sur le compte du ministère qui n'est pas régi par la Loi sur la Commission de l'énergie du Nord canadien.

M. Nielsen: Mais vous êtes le président.

M. MacDonald: Je suis le président.

M. Nielsen: Vous êtes sous-ministre.

M. MacDonald: Je suis les deux, mais avec des pouvoirs séparés. La Commission doit fonctionner conformément à la Loi. Le ministère du Nord canadien obéit à la Loi sur le ministère des Affaires indiennes et du développement du Nord canadien et nous avons suffisamment de pouvoir de par cette loi-là, pour faire ce que nous pensons être notre devoir. Et ce que nous avons fait est, me semble-t-il, parfaitement correct.

M. Nielsen: Monsieur MacDonald, personnellement est-ce que vous pensez que les deux postes devraient être séparés, et qu'il devrait y avoir un président de la Commission qui n'appartienne pas au ministère?

M. MacDonald: Eh bien, personnellement, et officiellement, je dois vous dire que non, je ne pense pas, parce que la Commission de l'énergie du Nord canadien est un instrument très important pour le développement économique du Nord et l'un des plus importants objectifs de ce ministère c'est le développement du Nord. Et par conséquent, il y a un rapport très étroit entre les deux. Il faut beaucoup de capitaux pour le développement et la possibilité de développement de l'énergie électrique en avance des besoins. Ces deux

[*Text*]

closest of collaboration and co-operation between the two elements.

Mr. Nielsen: Would that collaboration be deleteriously affected if the Chairman and the Deputy Minister were separate individuals?

Mr. MacDonald: I do not know, but I can tell you it is very much facilitated by the present arrangement.

Mr. Nielsen: You are not suggesting for a moment, of course, that private investment capital is not equally and perhaps even more important in the development of the north than is government capital?

Mr. MacDonald: I did not think I was talking about capital, Mr. Nielsen. I was talking about two entities and whether co-operation was served by having one man as head of both. On the subject of private capital, of course, I think you know we are doing our very best to sollicit it and to facilitate it in every way possible and, I am happy to say, with a great deal of success, as you are well aware of what is happening in the north today.

Mr. Nielsen: Does our view with respect to the attraction of capital also hold true to the development of power in the north?

Mr. MacDonald: I think the Northern Canada Power Commission was created because Parliament and the government felt that that, in fact, was not forthcoming. I would think that this is likely to be the case again, given the circumstances in the north and the very high cost problems, but whether or not one

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can find some finite measurer or relative measurement I would not care to hazard a guess.

The Commission is able, I think, due to the fact that it is a public entity to receive the capital for investment in the facilities at the government's cost of borrowing, which is as favourable a cost if not a more favourable cost than anywhere else, and able to take peirods of amortization for the return of the capital which is probably beyond what normal investors, I think, could do given all the range of alternative investments available to them.

So the likelihood is that in most instances you have a lower cost structure in so far as those elements are involved.

Mr. Nielsen: Let me put it very bluntly, then, Mr. MacDonald. Do you feel there is a place for investor-owned utilities in the

[*Interpretation*]

choses demandent beaucoup de collaboration et une coopération étroite entre les deux services.

M. Nielsen: Est-ce que cette collaboration serait beaucoup plus mauvaise si le président et le sous-ministre étaient distincts.

M. MacDonald: Je ne sais pas, mais je peux vous dire que la situation actuelle facilite bien les choses.

M. Nielsen: Vous ne voulez pas dire pour autant que les capitaux privés sont aussi nécessaires, sinon plus, pour le développement du Nord que les capitaux publics?

M. MacDonald: Je ne pensais pas parler de capitaux, monsieur Nielsen. Je parlais de deux entités et de la question de savoir si la coopération serait meilleure avec deux personnes plutôt qu'une seule. En ce qui concerne le capital privé, je pense que nous faisons tout ce que nous pouvons pour l'attirer, et je suis heureux de dire que nous y réussissons assez bien. Vous savez ce qui se passe dans le Nord actuellement.

M. Nielsen: Est-ce que cela est vrai aussi de l'aménagement électrique du Nord?

M. MacDonald: Je pense que la Commission de l'énergie du Nord canadien a été créée parce que le gouvernement et le Parlement pensaient que cela n'allait pas se produire. Je pense que cela se reproduira encore une fois, étant donné la situation dans le Nord, et le coût très élevé des choses, mais la question de mesurer, là, je ne peux pas faire une évaluation moi-même.

La Commission peut je pense, étant donné qu'il s'agit d'un organisme public, recevoir les capitaux d'investissement au taux d'emprunt du gouvernement, taux au moins aussi favorable qu'ailleurs et que l'on peut amortir sur de longues périodes, ce que l'investisseur ne peut se permettre.

Donc, il est probable que, dans la plupart des cas, vous obtenez une structure de coût inférieur.

M. Nielsen: Alors, je vais vous dire très directement, monsieur MacDonald, pensez-vous qu'il y ait dans le Yukon et dans les

[*Texte*]

Yukon and in the Northwest Territories? The two situations are different so I think, perhaps, they should be answered separately. Is there a place for investment-owned utilities in either of these jurisdictions?

Mr. MacDonald: I really think I am being driven closer and closer to the statement of government policy, Mr. Nielsen.

Mr. Nielsen: All right, if that embarrasses you I will stop.

Mr. MacDonald: I am trying to be as forthcoming as I possibly can.

Mr. Nielsen: I certainly do not want you to put anything on the record you would be sorry for. Do you feel if there is a place for investor-owned utilities in the North that their respective areas of jurisdiction and operation should be defined?

Mr. MacDonald: If I can go back to the point I was making about private capital in general, then we certainly would endeavour to make the total climate to capital known as clearly as possible because we recognize this is one of the factors affecting likely investment. Does that answer your question?

Mr. Nielsen: No, it does not. Do you not think it desirable for there to be an exact definition of the area in which government should be operating in this field in the North and the exact area in which investor-owned utilities should be operating? Let us take an example—and I am not suggesting this as policy—that government should produce the power and investor-owned utilities distribute it. Do you think there should be such an exact definition?

Mr. MacDonald: If you are asking me whether it is better if everybody knows what the score is in any situation I obviously have to answer yes. However, whether the score is the one you have indicated I could not, of course, answer without indicating policy.

Mr. Nielsen: No, and I am not holding it out as such either. I will defer, Mr. Chairman.

Mr. Thomson (Battleford-Kindersley): I will change the pattern of questioning now, Mr. Chairman. I was wondering if the Department of Indian Affairs and Northern Development had done any investigation in regard to

[*Interprétation*]

Territoires du Nord-Ouest, les possibilités pour les services appartenant à l'entreprise privée? Les deux cas ne sont pas pareils; par conséquent, je pense que vous devriez répondre à ces questions, une à la fois. Y a-t-il des possibilités d'investissements pour les services des entreprises privées dans ces endroits?

M. MacDonald: Monsieur Nielsen, je pense que je me sens poussé de plus en plus vers une déclaration portant sur la politique du gouvernement.

M. Nielsen: Très bien, si cela vous gêne, j'arrêterai.

M. MacDonald: J'essaie d'être aussi ouvert que je ne puis l'être.

M. Nielsen: Je ne veux certainement pas vous faire dire des choses que vous regretteriez. S'il y a de la place pour les services d'utilités appartenant à l'entreprise privée, croyez-vous que leurs domaines de compétence devraient être définis?

M. MacDonald: Eh bien, pour en revenir à ce que je disais précédemment sur les capitaux privés en général, certainement, nous essayerons de faire connaître la situation aux investisseurs car c'est l'un des facteurs qui affectent l'investissement éventuel. Cela répond-il à votre question?

M. Nielsen: Non, pas du tout. Ne pensez-vous pas qu'il soit souhaitable que l'on définisse exactement le secteur dans lequel le gouvernement devrait agir dans le Nord et la région que les services appartenant aux investisseurs privés pourraient exploiter? Je vais citer un exemple, et cela n'a rien à voir avec la politique, où le gouvernement pourrait produire l'énergie et laisser la distribution aux services d'investissements privés. Croyez-vous qu'il devrait y avoir une définition de ce genre?

M. MacDonald: Vous me demandez s'il est préférable que quelqu'un sache exactement à quoi s'en tenir; forcément je vous dirai oui. Cependant, si le résultat est bien celui que vous avez critiqué, je ne pourrais y répondre sans que ma réponse porte sur la politique du gouvernement.

M. Nielsen: Je cède mon tour, monsieur le président.

M. Thomson (Battleford-Kindersley): Je vais changer la nature des questions. Monsieur le président, je voudrais savoir si le ministère des Affaires indiennes et du Nord canadien avait enquêté sur l'utilisation du

[*Text*]

use of the air cushion vehicle—I cannot think of the same of it at the moment...

Some hon. Members: The hovercraft.

Mr. Thomson (Battleford-Kindersley): The hovercraft in connection with transportation in the North, and if so, what type of reaction have they had from it?

The Chairman: Mr. Thomson, we are on the question of electrical power in the Yukon tonight and as long as your question touches on electrical power in the Yukon then you are in order, however, if it is in a different field altogether...

Mr. Thomson (Battleford-Kindersley): I will pass, Mr. Chairman.

Mr. Smerchanski: Mr. Chairman, I would like to come back and ask one other question.

The Chairman: Yes. Mr. O'Connell?

Mr. O'Connell: I did not mean to cut off Mr. Smerchanski.

The Chairman: You indicated that you want a little bit of time and there are two other members who have put their hands up.

Mr. Smerchanski: That is all right; I will hold back.

The Chairman: Mr. O'Connell, go ahead.

Mr. O'Connell: Mr. Chairman, I would like to ask if we could get some idea of the trends in development of public power and the costs and average sale price in recent years in the North. I came in a little late; I do not know if these facts were covered, but if they were not could the witnesses give us some idea of the growth rate in the last five or six or more years in the production of power under the NCPC in the two territories?

Mr. Humphrys: We do have some figures, Mr. O'Connell, that in the year 1963-64 the Northern Canada Power Commission annual sales were 161 million kilowatt hours. This is for prime power, it does not include power that has been supplied to electric boilers at a

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special rate. In 1964-65 that increased to 176 million, the next year to 195 million, the next year to 240 million, and in 1967-68 it was 268 million. This indicates a growth rate in the

[*Interpretation*]

véhicule à coussins d'air, je ne peux me rappeler du nom ..

Des voix: L'aéroglisseur.

M. Thomson (Battleford-Kindersley): L'aéroglisseur pour le transport dans le Nord et si c'est le cas, quelle en a été la réaction?

Le président: Monsieur Thomson, ce soir nous discutons de l'énergie électrique dans le Yukon, et dans la mesure où vos questions portent sur l'énergie électrique dans le Nord, elles seront conformes au règlement sinon...

M. Thomson (Battleford-Kindersley): Je retire la question, monsieur le président.

M. Smerchanski: Monsieur le président, j'aimerais revenir à ce sujet et poser une autre question.

Le président: Oui. M. O'Connell?

M. O'Connell: Je ne voulais pas interrompre monsieur Smerchanski.

Le président: Vous avez indiqué avoir besoin d'un peu de temps et il y a deux autres membres qui veulent parler.

M. Smerchanski: Ça va, j'attendrai.

Le président: Vous pouvez commencer, monsieur O'Connell.

M. O'Connell: Monsieur le président, je voudrais vous demander s'il serait possible d'avoir une idée des tendances d'aménagement des services publics en matière d'énergie électrique et les coûts ainsi que le prix de vente dans le Nord canadien au cours des dernières années. Je suis arrivé un peu en retard. Je ne sais pas si ces faits ont déjà été abordés, mais si ça été fait, les témoins pourraient-ils nous donner une idée du taux de croissance de la production d'énergie de la C.E.N.C. durant les cinq ou six dernières années dans les deux territoires?

M. Humphrys: Eh bien, nous avons certains chiffres, M. O'Connell qui indiquent qu'en 1963-1964 les ventes annuelles de la C.E.N.C. étaient de 161 millions de kWh. pour l'énergie garantie, cela ne comprend pas l'énergie vendue à un tarif spécial pour alimenter les chaudières électriques. En 1964-1965 ce chiffre est passé à 176 millions, l'année d'après 195 millions puis 240 millions et en 1967-1968 les ventes sont passées à 268 millions. Soit une augmentation de 10 p. 100 sauf en 1966-1967 où l'augmentation était de 23 p. 100.

[*Texte*]

order of 10 per cent except in the year 1966-67 when the increase was 23 per cent.

Mr. O'Connell: Do those figures cover the two territories combined, Mr. Humphrys?

Mr. Humphrys: Yes, that is the two combined territories.

Mr. O'Connell: Would you quote again the average rate of growth per annum; was it 10 per cent or so?

Mr. Humphrys: The order of 10 per cent except in 1966-67 when it was 23 per cent. In that particular year a new mine came into operation which accounts for the very large increment.

Mr. O'Connell: Would that indicate an average rate of growth in public power fairly consistent with the rates of growth in the provinces and elsewhere?

Mr. Humphrys: Yes, it is of the same magnitude but, I think you have to recognize that a good deal of this growth is very special because it comes in big amounts because of the addition of one mine. It does not represent a growth in the community to the same extent as it does in the provinces except in possibly the communities of Whitehorse and Yellowknife. As far as the territories at large are concerned, some have shown very little growth at all. In fact, there even have been some declines, and there has been a decline in some instances—such as Mayo—in the amount of power being used for mining purposes but it has been overshadowed by the new mines coming in.

Mr. O'Connell: Together with that growth in production could the witnesses indicate if the rates charged for power have trended in any particular direction and could they measure the change?

Mr. Humphrys: In the Yukon in 1961-62 with the only industrial consumer, one mine, the rate for industrial power was 2§ cents per kilowatt hour; that was dropped to 2.1 cents in 1963; to 2 cents in 1964 and in 1967-68 when there was an additional mining operation the average rate was 1.75 cents per kilowatt hour for the Yukon.

In the Northwest Territories in the 1960-61 period the rate was 1.53 cents; that fell to .9 cents in 1965; in the period of 1966 to 1968 it was 1.12 cents and it appears that in 1969 it is estimated at about just under .9 cents. This is industrial power I am speaking about now, power supplied to mines.

[*Interprétation*]

M. O'Connell: Est-ce que ces chiffres couvrent les deux territoires combinés, monsieur Humphrys?

M. Humphrys: Oui, oui. Les deux.

M. O'Connell: Est-ce que vous pourriez citer le taux moyen de croissance une nouvelle fois? Vous dites 10 p. 100?

M. Humphrys: Oui, 10 p. 100 sauf pour 1966-1967 où c'était 23 p. 100. Cela vient du fait qu'il y avait une nouvelle mine qui est entrée en service ce qui explique cette importante augmentation.

M. O'Connell: Cela indiquerait-il un taux moyen de croissance de l'énergie fournie à peu près semblable aux taux de croissance dans les provinces et ailleurs?

M. Humphrys: Oui, c'est à peu près la même chose, mais je pense qu'il faut reconnaître qu'une grande partie de cet accroissement est très particulièrement dû à l'ouverture d'une nouvelle mine. Ces chiffres ne représentent pas une croissance de la communauté dans la même proportion que celle des provinces à l'exception peut-être des communautés de Yellowknife et de Whitehorse. En ce qui concerne le reste des territoires, certaines communautés n'ont accusé qu'une très faible croissance. Il y a même eu quelques diminutions de croissances et dans certains cas pour ce qui est des exploitations minières, mais elles ont été contrebalancées par l'ouverture de nouvelles mines.

M. O'Connell: Avec cette croissance dans la production, messieurs les témoins peuvent-ils nous dire si les tarifs de l'énergie électrique ont varié et dans quel sens?

M. Humphrys: Au Yukon, en 1961 et 1962 avec seulement une mine comme consommateur industriel le tarif d'énergie industrielle était de 2§ cents par kWh. En 1963 c'est tombé à 2.1; puis à 2 cents en 1964 et en 1967-1968, avec l'augmentation de l'exploitation minière, le tarif moyen avait baissé à 1.75 cent le kWh. pour le territoire du Yukon.

En 1960-1961, dans les Territoires du Nord-Ouest, le tarif était de 1.53; c'est tombé à 0.9 en 1965. Dans la période 1966-1968, le tarif est remonté à 1.12 et il semble qu'en 1969 il baissera à un peu moins que ce 0.9 cent. Il s'agit du tarif industriel de l'énergie fournie aux mines.

[*Text*]

Mr. O'Connell: Oh, would you have any figures that might indicate the trends in the cost in the retail price of power to domestic users?

Mr. Humphrys: We do have some figures that are not separated as between the two territories. There is a composite figure that was compiled by the Dominion Bureau of Statistics which indicates that for domestic consumption in 1960-61 it was 5.21 cents per kilowatt hour; this declined over the years to an average of 3.46 cents in 1968. There is quite a progressive decline of 5.2, 5.1, 4.5, 4.0, 3.95, 3.8, 3.5 and 3.46.

Mr. O'Connell: As your production increased the prices tended to decline?

Mr. Humphrys: Yes, and I might say those figures are utility supplied and are weighted by the fact that the domestic consumption is predominantly in the two large communities of Whitehorse in the Yukon and Yellowknife in the Northwest Territories. This does not reflect the fact that there are many smaller communities in both territories where the rate is a good deal higher than what this indicates. Also, bear in mind these are average rates; that is, average of the total cost of the total kilowatt hours divided into the total dollars paid.

Mr. O'Connell: In that connection could you say whether the wholesale price of power in Whitehorse has risen or declined in the last five or so years?

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Mr. Humphrys: It has declined.

Mr. O'Connell: Could you measure the decline?

Mr. Humphrys: Yes. It has declined from 2⅝ cents per kilowatt hour down to the present 1.25 cents per kilowatt hour in so far as our supply to the retailer is concerned.

Mr. O'Connell: In that case—I hope I am reading you correctly—you are charging less than half for the power which you are supplying to Yukon Electrical Company from the beginning of the decade to the end.

Mr. Humphrys: Yes.

Mr. O'Connell: What has been the trend in the retail price?

Mr. Humphrys: I do not have the figures on that, but they have been down; and they

[*Interpretation*]

M. O'Connell: Auriez-vous des chiffres qui indiqueraient les tendances en ce qui concerne les prix de détail de l'énergie fournie aux consommateurs privés?

M. Humphrys: Le chiffre combiné donné par le Bureau fédéral de la statistique pour les deux territoires indique que la consommation domestique pour la période de 1960-1961 était de l'ordre de 5.21 cents le kWh; au cours des années ce tarif baissait graduellement pour atteindre 3.46 cents en 1968. Il passait progressivement de 5.2 cents à 5.1, 4.5, 4.0, 3.95, 3.8, 3.5 et à 3.46.

M. O'Connell: Par conséquent, dans la mesure où votre production augmentait le prix tendait vers la baisse, n'est-ce pas?

M. Humphrys: Oui, je dois dire que ces chiffres sont les tarifs des services fournis et sont compensés du fait que la consommation domestique est en majeure partie limitée à Whitehorse, dans le Yukon, et à Yellowknife, dans les Territoires du Nord-Ouest. Cela ne tient pas compte du fait qu'il existe plusieurs petites collectivités dans les deux territoires où le tarif est plus élevé qu'il n'est indiqué ici. N'oublions pas non plus, que ce sont des tarifs moyens, c'est-à-dire une moyenne du coût total du nombre total des kilowatt-heures, divisés par le montant total de dollars payés.

M. O'Connell: A ce sujet, pourriez-vous nous dire si le prix de gros de l'énergie électrique à Whitehorse a augmenté ou diminué au cours des quelque cinq dernières années?

M. Humphrys: Oh, ça a baissé.

M. O'Connell: Dans quelle proportion?

M. Humphrys: Ça a baissé de 2⅝ cents le kwh. jusqu'à 1.25 cent le kwh. à l'heure actuelle, du moins pour ce qui est de nos fournitures au détaillant.

M. O'Connell: Dans ce cas, si je comprends bien, vous chargez moitié prix pour l'énergie que vous fournissez à la *Yukon Electrical Company*.

M. Humphrys: Oui.

M. O'Connell: Maintenant, pour le détail, pour la consommation domestique, quelle a été la tendance?

M. Humphrys: Je n'ai pas les chiffres, mais ils ont baissé. Et ils baissent de plus en plus

[*Texte*]

were progressively downward as consumption increased.

Mr. O'Connell: I think those are all the questions I have, Mr. Chairman.

Mr. Gundlock: Mr. Chairman, just a few observations actually, and perhaps one slight criticism. I found at one point 2,000 miles north of home that had I been driving my automobile I could have bought gasoline twenty cents cheaper than I can at home.

We have listened to a lot of discussion, and my criticism is that I call them excuses and apologies, particularly with reference to the development of the north and Canada as a whole. May it not be time to make a reassessment of the cost in the north?

I mentioned gasoline being twenty cents cheaper in Norman Wells, for instance, than in Lethbridge. These, roughly speaking, are 2,000 miles apart. Carrying that a little further, would that not apply to the other sources of energy? I am only guessing, but applying that on a certain scale to diesel fuel and to natural gas in particular, my guess on natural gas would be that at the well-head it would be roughly three and a half cents on that scale.

What I am suggesting, Mr. MacDonald, is that perhaps we should have a reassessment and let the Canadian public know, and particularly this Committee and the House, what the real prices of energy are, if we really want to develop and attract private capital, as Mr. Nielsen spoke about a while ago.

I think this would be a very worthwhile study because the price of energy today is certainly the prime factor in the economic development of any area. It does seem to me, just thinking lightly on it for a moment, that that sort of price must be very, very attractive today.

Mr. Chairman, I am not sure how to do it, but could we not make a reassessment, within this Committee? I feel quite strongly about this. I think it would be quite proper for this Committee to do so, even on that one point.

Mr. MacDonald: Mr. Gundlock, I could give you some immediate responses and surveys, without any desire to discourage further study. We agree with you that energy, the supply thereof and its cost are the critical elements. There are two factors, which do, and will in an important way in the future, affect the development of the north, as they will any area. One is energy, supply and cost and the other is transportation.

[*Interprétation*]

au fur et à mesure que la consommation augmente.

M. O'Connell: Voilà, je pense que c'est tout ce que j'avais à poser comme questions, monsieur le président.

M. Gundlock: Monsieur le président, simplement quelques remarques. Une simple critique, peut-être d'abord. Je constate que si j'avais conduit ma voiture, j'aurais pu acheter de l'essence à 2,000 milles de chez moi pour 20 cents moins cher que je la paie chez moi.

On a entendu beaucoup de discussions, ma critique, la voici: j'appelle cela des excuses, particulièrement en ce qui concerne l'aménagement du Nord et l'ensemble du Canada, dans le cadre du Nord canadien. Je me demande s'il ne serait peut-être pas bon maintenant de faire une réévaluation des coûts dans le Nord; je parlais de l'essence qui coûte 20 cents de moins à Norman Wells qu'à Lethbridge. Et il y a 2,000 milles de différence. Alors, si on va un peu plus loin, est-ce que cela ne peut pas s'appliquer à d'autres types d'énergie. Je demande cette question, mais si on applique ça sur une autre échelle, le mazout et le gaz naturel par exemple le gaz naturel à la sortie du puits coûterait 3.5 cents si l'on se base sur ce tarif.

Alors, ce que je voudrais proposer, monsieur MacDonald, c'est que l'on devrait réévaluer et peut-être même informer le public canadien, notamment, la Chambre, et le Comité de ce que sont les prix véritables de l'énergie. Et si on veut véritablement développer et attirer les capitaux privés, comme l'a dit M. Nielsen il y a un instant. Je pense qu'il serait très utile de faire cette étude, parce que le prix de l'énergie électrique aujourd'hui est certainement un élément fondamental pour le développement économique de toutes les régions. Et je pense qu'après avoir réfléchi à la chose, il me semble que ce genre de prix doit être très intéressant aujourd'hui.

Monsieur le président, je ne sais pas exactement comment il faut le faire, mais j'aimerais si c'est possible, que l'on nous fournisse une réévaluation. Et je suis très conscient que le Comité peut l'obtenir.

M. MacDonald: Eh bien! monsieur Gundlock, je ne pourrais pas vous donner une réponse immédiate. Je n'ai pas du tout envie de décourager une étude quelle qu'elle soit, parce qu'il y a deux objectifs que l'on doit suivre pour développer le Nord, comme n'importe quelle région. Le premier, c'est l'énergie, fourniture et coût et l'autre c'est le transport. En ce qui concerne l'énergie, vous avez parlé bien sûr de Norman Wells...

[*Text*]

On the subject of energy you refer, of course, to Norman Wells...

Mr. Gundlock: That was just an excuse to broach the subject.

Mr. MacDonald: On the other hand, it is a very special case.

Mr. Gundlock: If I had my car there I could not drive it anywhere anyhow.

Mr. MacDonald: The refining of petroleum products produces some very odd results. You get an imbalance between what you produce

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and what you can sell. Because there is no control on the distillation you produce so much of this and you have to get so much of the rest, and the market of supply and demand then takes over.

At the present moment the potential for energy in the north is very high, but at the moment it is still a potential. Natural gas is known to be there, but it is not flowing in commercial quantities. We are fairly confident oil is going to be there is vast quantities, and not only will it affect the economy of the north but we think it will affect Canada very beneficially. And of course we know that hydro power, the other large source of energy, is available in the Yukon particularly, as well as in the Northwest Territories.

Hydro power, however, is one of the trickiest things to develop. You will recall its basic problem is that again it comes on in one fell swoop. It cannot come in neatly like diesel, which you can put in the turbine plant and work it up.

If we go into developing some of the hydro potential in the Yukon, which is really quite vast, we will have to measure up a market; and the market for the kind of developments which could take place, with any probability, in the Yukon would go right down to California, and that would require federal, provincial, United States and state discussions. I can tell you that these kinds of discussions are going on at the present time. We are alive to this question. The future is pretty bright, but there is a gap in the realization of these things, in terms of lower energy cost.

Natural gas will probably be the first and most important element in an energy source at low cost, because it will probably be near several developments and is easily transportable by pipeline. If we happen to have some fortunate concurrences of the availability of gas and some mineral deposits we can probably have some very exciting developments.

[*Interpretation*]

M. Gundlock: C'était simplement une excuse pour aborder le sujet.

M. MacDonald: Mais c'est un cas très particulier.

M. Gundlock: Si j'avais ma voiture là-bas, je ne pourrais aller nulle part.

M. MacDonald: Et le raffinage du pétrole donne des résultats très bizarres. Vous avez un déséquilibre entre ce que vous produisez et ce que vous pouvez vendre. Il n'y a pas de contrôle de la distillation. Il faut en supprimer une telle quantité.

Mais, actuellement les possibilités énergétiques dans le Nord sont élevées, mais cela reste toujours des possibilités. Le gaz naturel, il y en a, mais il n'est pas encore produit en quantité rentable. Le pétrole, il y en a à revendre, et il va non seulement affecter l'économie du Nord mais certainement l'économie canadienne dans son ensemble, et cela de façon très favorable. Et nous savons également que les autres sources énergétiques, par exemple, l'énergie hydroélectrique dont le Nord possède un énorme potentiel, mais l'énergie hydroélectrique est un élément très spécial parce que l'énergie électrique non utilisée est perdue.

Mais nous allons développer et aménager le Yukon. Il faut pour cela évaluer le marché et toute étude de ce genre devrait englober la Californie. Et je dois vous dire que c'est sur cela que portent les discussions actuellement. Cependant nous nous en occupons activement.

L'avenir s'annonce bien, même si la réalisation de ces projets reste encore à combler. Le gaz naturel, le plus important et le premier élément du point de vue des sources énergétiques et du prix de revient. Avec certains travaux d'aménagements on pourra le transporter très facilement par gazoduc. Et il est bon que l'on ait en même temps des sources de gaz naturel et des gisements de minerais.

[*Texte*]

Mr. Gundlock: You mean developed together?

Mr. MacDonald: Yes; because one of our problems in the north is transportation. If we can get further beneficiation very close to site, then you transform the transportation problem—if you happen to have a fairly economical source of energy to produce this beneficiation—and gas is obviously the best candidate right now.

The question and the points you raise are valid. We agree with them and have them under constant study. We are pushing and following developments. If the Committee would like a paper, or an aide-mémoire, on this we would be more than happy to submit it.

Mr. Gundlock: Let me make myself clear, Mr. Chairman. I think there should be made available to the Committee, at least so that we could use it, the prices of energy at certain points wherever they are, and within what transportation distance. We were talking about electrical energy, for example. It is quite feasible for some of these diesel plants to burn tar paper, but they are burning highly refined fuel oil. I think the real basic price of energy should be made known, at least to this Committee.

The Chairman: Mr. Gundlock, on this point, Mr. MacDonald has offered to provide an aide-mémoire. I presume, Mr. MacDonald, that if the Minister is going over to Europe to try to encourage investment in the north he has figures to indicate the cost of electricity and the cost of fuel?

Mr. MacDonald: Yes.

The Chairman: Therefore, these figures are available to us?

Mr. MacDonald: These are the stuff with which we work all the time.

Mr. Gundlock: The very basic price and the cost per 100 miles in a pipeline—you know what I mean?

Mr. MacDonald: Yes.

Mr. Nielsen: Mr. Chairman, may I go back to Mr. O'Connell's line of questioning?

The Chairman: Mr. Nielsen, other two members have indicated that they have questions. Is this on a supplementary?

[*Interprétation*]

M. Gundlock: Vous voulez dire de les développer simultanément?

M. MacDonald: Oui, parce que, le principal problème du Nord est celui du transport; on pourra mieux profiter des transports sur place. Là, encore, vous allez transformer le réseau de transport. Si vous avez une source rentable d'énergie, vous pouvez avoir un transport suffisant pour les servir.

Par conséquent, la question que vous avez soulevée est très valable. Nous sommes parfaitement d'accord et je peux vous dire que nous étudions actuellement ce prix de revient et nous favorisons le développement de la région. Et si le comité veut un aide-mémoire à ce sujet, nous serions très heureux de vous le présenter.

M. Gundlock: Maintenant, que je me fasse comprendre clairement, monsieur le président. Je pense que le comité devrait au moins pouvoir disposer des prix de l'énergie électrique où que ce soit, et de l'énergie, compte tenu des distances et du transport, etc. Parce que, en fait, aujourd'hui, on parle d'énergie électrique, disons, eh bien, certaines centrales diesels consomment du carburant. Je ne veux pas entrer dans les détails, mais disons que certaines centrales pourraient brûler du papier goudronné, en fait, alors qu'elles brûlent du pétrole parfaitement raffiné. Je pense que le coût de base de l'énergie devrait être indiqué au comité.

Le président: Monsieur Gundlock, à ce sujet, M. MacDonald a dit qu'il était parfaitement d'accord pour fournir un aide-mémoire. Je présume, monsieur MacDonald, que si le ministre va en Europe pour essayer d'encourager les investissements dans le Nord canadien, il va prendre des chiffres avec lui pour indiquer le coût de l'électricité, le coût des combustibles. etc.

M. MacDonald: Oui.

Le président: Donc, ils sont disponibles, on peut s'en servir?

M. MacDonald: Ah! oui, bien sûr. Voilà les chiffres que nous utilisons tous les jours.

M. Gundlock: Est-ce qu'on peut avoir le coût par 100 milles de gazoduc, par exemple?

M. MacDonald: Oui.

M. Nielsen: Puis-je revenir à la question de M. O'Connell?

Le président: Il y a deux autres personnes qui voulaient poser des questions. Est-ce une question supplémentaire?

[*Text*]

Mr. Nielsen: No; I am sorry.

The Chairman: Mr. Smerchanski and Mr. Cullen have indicated that they have questions.

Mr. Nielsen: There is plenty of time.

Mr. Smerchanski: Mr. Chairman, I would like to know what percentage of the operators in these isolated areas are either local or native people?

Mr. MacDonald: Employees of the Commission?

Mr. Smerchanski: That is right. For example, how many operators at the plant at Coppermine are local people?

Mr. Humphrys: There are three operators at Coppermine, one of whom is a local man, a mechanic. He was within the Territories; he was not a resident in Coppermine when he was hired. And the superintendent was sent in from outside.

Mr. Smerchanski: In these isolated plant

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locations would you say you had an across-the-board 25 per cent of local labour?

Mr. Humphrys: Yes; 25 per cent, to even higher than that; 50 per cent in some instances.

Mr. Smerchanski: What is the department doing to upgrade them to possibly 100 per cent local or native employment?

Mr. MacDonald: We covered this earlier, Mr. Smerchanski. We have the general educational program and we have had further specifics, such as the Churchill Vocational Centre and the Fort Smith heavy equipment training. We are trying to do as much as we can in the direction of motivation and skills training; not only for this particular purpose, of course, but for employers generally in the north.

Mr. Smerchanski: Mr. Chairman, some of these plants have been in operation for longer than three, four and five years. Surely it would not take that long to train local native people to be fairly competent operators, would it?

Mr. MacDonald: And some have been.

Mr. Smerchanski: Is that a fact?

Mr. Nielsen: The fact remains, Mr. MacDonald, that NCPC in its whole system has one native employed; is that not correct?

[*Interpretation*]

M. Nielsen: Non, je m'excuse.

Le président: Il y a M. Smerchanski et M. Cullen qui veulent la parole.

M. Nielsen: Nous avons du temps devant nous.

M. Smerchanski: Monsieur le président, je voudrais savoir combien d'employés à l'usine de Coppermine sont habitants de la localité?

M. MacDonald: Vous parlez des employés de la Commission?

M. Smerchanski: Oui. Prenez, par exemple, la centrale de Coppermine. Combien d'exploitants dans la centrale de Coppermine sont des indigènes?

M. Humphrys: Il y en a trois là-bas, sur place et il y en a un qui est indigène. Il vient des Territoires. Ce n'était pas un résidant de Coppermine lorsqu'il a été embauché. Et il y a un contremaître qui vient de l'extérieur.

M. Smerchanski: Dans ces centrales isolées, est-ce que vous pouvez dire que vous avez 25 p. 100 de main-d'œuvre indigène?

M. Humphrys: Oui, 25 et même parfois 50 p. 100.

M. Smerchanski: Est-ce que le ministère fait le nécessaire pour faire passer ce chiffre à 100 p. 100, peut-être, dans l'emploi?

M. MacDonald: Nous avons abordé la question plus tôt, monsieur. Vous savez que nous avons un programme d'éducation à ce sujet. Et nous avons, notamment, l'École des arts et métiers de Churchill et il y a des écoles de formation pour l'apprentissage du fonctionnement du matériel lourd et nous faisons tout ce que nous pouvons pour former des employés et des techniciens.

M. Smerchanski: Monsieur le président, si certaines de ces centrales fonctionnent depuis trois, quatre ou cinq ans, certainement il ne faudrait pas aussi longtemps pour former des indigènes et en faire des employés très compétents.

M. MacDonald: Certainement, ça arrive.

M. Smerchanski: Est-ce un fait courant?

M. Nielsen: Le fait demeure, monsieur MacDonald, que la CENC, et tout son réseau, n'a qu'un seul employé indigène, n'est-ce pas?

[*Texte*]

Mr. Humphrys: No.

Mr. Nielsen: I thought that was what Appendix "A" said.

Mr. Humphrys: One Indian.

Mr. Nielsen: One Indian. I am sorry.

Mr. Humphrys: In the Yukon.

Mr. Smerchanski: But it does not include the Eskimo...

Mr. Humphrys: I could give you an example of where the Eskimos are available. Bear in mind that most of the Commission's plants are not in the area where the Eskimo is actually a resident, but at Frobisher Bay we employ 12 Eskimos.

Mr. Smerchanski: As against how many whites?

Mr. Humphrys: About 25 whites. At Aklavik there are three Eskimos and one Indian, and two whites. At Baker Lake there are two Eskimos and two whites, if you want to call them whites, two non-Eskimos. At Moose Factory we employ 15 Indians and two Eskimos—I said one—there are two there now. At Cambridge Bay we employ two Eskimos. Certainly wherever the Commission has an opportunity, if we can employ local people we will do so.

Mr. Smerchanski: In other words, Mr. Chairman, am I right in assuming that it is the Department's policy to try to use as many of the local native people as possible in the operation of these plants and the maintenance of the transmission lines and so forth?

Mr. MacDonald: Yes.

Mr. Smerchanski: The other question is, Mr. Chairman, does the NCPC send many of their maintenance engineers or supervising engineering personnel from Ottawa into various locations to do some supervision and maintenance?

Mr. Humphrys: Yes, on occasion, as required.

Mr. Smerchanski: And on what occasions? When you are making a major change-over or major repairs?

Mr. Humphrys: Yes generally where engineering technology is required.

Mr. Smerchanski: And is that charged to your maintenance costs as given on these tables?

[*Interprétation*]

M. Humphrys: Non.

M. Nielsen: Je croyais que c'était ce que disait l'annexe «A».

M. Humphrys: Un Indien.

M. Nielsen: Un Indien. Je regrette.

M. Humphrys: Au Yukon.

M. Smerchanski: Cela ne comprend pas les Esquimaux.

M. Humphrys: Je pourrais vous donner un exemple de la présence des Esquimaux, mais n'oubliez pas que la plupart des installations de la Commission ne se trouvent pas dans une région d'Esquimaux, mais à Frobisher Bay, nous employons 12 Esquimaux.

M. Smerchanski: Pour combien de Blancs?

M. Humphrys: Environ 25 Blancs. A Aklavik, il y a trois Esquimaux, un Indien et deux blancs. A Baker Lake, il y a deux Esquimaux et deux blancs, si vous tenez à les appeler «blancs», deux non-esquimaux. A Moose Factory, nous avons 15 Indiens et deux Esquimaux—j'ai dit un—il y en a deux maintenant. A Cambridge Bay, nous employons deux Esquimaux. De toute façon, chaque fois que la Comm ssion a la possibilité de le faire, elle embauche des indigènes.

M. Smerchanski: Autrement dit, monsieur le président, j'ai raison de penser que la politique du ministère est de chercher à utiliser autant d'indigènes que possible pour l'exploitation de ces centrales, l'entretien des lignes de transmission, etc?

M. MacDonald: Oui.

M. Smerchanski: L'autre question que je voulais poser, monsieur le président, est la suivante: est-ce que la CENC envoie beaucoup de ces ingénieurs d'entretien ou surveillants, à partir d'Ottawa, dans différents endroits pour faire certains travaux de surveillance et d'entretien?

M. Humphrys: Oui, à l'occasion, selon les besoins.

M. Smerchanski: Et à quelles occasions? Lors d'une grosse réparation ou d'un important changement?

M. Humphrys: Oui. Lorsqu'il faut faire beaucoup de travaux techniques.

M. Smerchanski: Et cela est indiqué dans les frais d'entretien comme ceux qui figurent dans ces tableaux?

[*Text*]

Mr. Humphrys: Maintenance or capital charges, depending upon the nature of the work. It may be capitalized against the cost of the plant.

Mr. Smerchanski: But where it is in connection with maintenance it is charged as maintenance into these figures that you have published here.

Mr. Humphrys: That is right.

Mr. Smerchanski: Thank you.

The Chairman: I have a supplementary on Mr. Smerchanski's training question. Was there a training course in existence until quite recently for operators of diesel power units in the north, and was this program terminated recently? It seems to me that I heard something along these lines. My facts perhaps are a bit vague.

Mr. MacDonald: The only one I am familiar with is the heavy equipment operators' school at Fort Smith which we really just started.

The Chairman: So there is no training course for diesel electric or diesel power plant operators in the north.

Mr. MacDonald: I do not think so. We would send people out for that, really.

The Chairman: I put this to you. Would it not be a reasonable initiative for the Department of Indian Affairs and Northern Development to send a number of local native people out for such training? It would seem that there are a number of opportunities for this work in the north.

Mr. MacDonald: I cannot give you the answer specifically with respect to that particular kind of training but we do send a great number of people out. We are only training in the north where we happen to

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have the fortuitous combination of the demand at a particular moment in time and it applies to heavy duty equipment plant; otherwise we try to work with the provincial apprentice and vocational training schemes and/or private industry, in effect to buy the training. And this relates to our Indian program and our Eskimo program under the Department.

The Chairman: But this is one area, it would seem to me, where we could aim for almost 100 per cent operation, as Mr. Smer-

[*Interpretation*]

M. Humphrys: Dans les frais d'entretien ou d'immobilisations, cela dépend de la nature du travail. On peut les capitaliser dans les frais de la centrale.

M. Smerchanski: Mais pour l'entretien, c'est indiqué dans les chiffres que vous avez publiés.

M. Humphrys: Oui.

M. Smerchanski: Merci.

Le président: J'ai une question complémentaire sur la question de la formation soulevée par M. Smerchanski. Est-ce qu'il y a eu un cours de formation qui était à la disposition des opérateurs de centrales diesel jusqu'à il y a peu de temps? Et est-ce que le programme a été terminé récemment? Il me semble que j'en ai entendu parler.

M. MacDonald: Le seul que je connaisse, c'est le cours de formation des opérateurs de matériel lourd, à Fort Smith, qui vient de commencer.

Le président: Autrement dit, il n'y a pas de cours de formation pour les opérateurs des centrales diesels ou électriques, dans le Grand Nord.

M. MacDonald: Je ne crois pas. Nous envoyons plutôt les gens à l'extérieur, pour suivre ces cours.

Le président: Est-ce que vous ne pensez pas qu'il serait bon que le ministère des Affaires indiennes et du Nord canadien envoie plusieurs indigènes à l'extérieur pour qu'ils reçoivent une formation? Il semble y avoir beaucoup de possibilités d'emploi dans ce domaine, dans le Nord.

M. MacDonald: Je ne peux pas vous répondre directement pour ce genre de formation, mais nous envoyons beaucoup de gens à l'extérieur pour les former. Ceux que nous gardons dans le Nord, ce sont ceux qui peuvent être utilisés immédiatement sur place. Mais, en général, on passe par les provinces et par l'industrie pour les former; c'est cela que notre ministère fait depuis longtemps, dans le cadre de ses programmes pour les Indiens et les Esquimaux.

Le président: Il me semble que c'est là un domaine où nous pourrions chercher, au moins, à avoir 100 p. 100 du personnel qui

[*Texte*]

chanski said, by native personnel if there was an effort being made to train them specifically for this purpose.

Mr. MacDonald: We do train our own employees in the Northern Canada Power Commission. Mr. Humphrys might elaborate on that.

Mr. Humphrys: Yes, we always canvass and endeavour to obtain employees locally when we have to recruit new ones, and those who are promising at all are either in-house trained or, where a training program can be made available through the co-operation of the Department, these employees are sent out for training. We have a number of employees that have gone through a training program of this nature. As I say, we try to recruit in the Territories and one of the difficulties is to find enough people for this purpose. Quite frequently when we need someone he is not available because he is already fully engaged.

The Chairman: We had evidence last autumn that there was only one Indian employee of the NCPC in the Yukon and this would not indicate, to me anyway, that there was a very ambitious effort on the part of NCPC in the past to train local Indian youths in the Yukon for these purposes. Since our meeting last autumn when this was raised, has any effort been made to interest, either through the vocational school in Whitehorse, or otherwise, Indian youths in taking a diesel power plant operator course anywhere in Canada? I believe this is available only in Edmonton or somewhere, but has any specific effort been made along these lines?

Mr. MacDonald: There is a general ongoing program in the Department itself in the field of vocational guidance, which is really what we are getting at here, to try to select youths in the latter stages of their educational process to take certain kinds of courses. There are people who also have related responsibilities, either themselves of through the Manpower Department, for job opportunities—to try to steer them in and motivate them to go into these things and then if they do, either we or the Department of Manpower will engage them in further training. So I cannot answer about the specific efforts that have been made since last year, but I can get that answer for you, to see if there has been any change or any response.

Mr. Smerchanski: I fell that on this business of training, surely in the past Canada has supplied a great deal of technicians through the apprentice training system and that is training on the job. Surely when we are told that Eskimo trainees have become

[*Interprétation*]

soit indigène, comme l'a dit M. Smerchanski, si on cherchait à les former à cet effet.

M. MacDonald: Nous formons nos propres employés, à la Commission d'énergie du Nord canadien. M. Humphrys pourrait vous répondre là-dessus.

M. Humphrys: Nous cherchons toujours sur place des employés et ces employés, si on ne les trouve pas sur place, avec des aptitudes nécessaires, on les envoie à l'extérieur dans le cadre du programme de formation. Nous cherchons, comme je vous le dis, à embaucher dans le territoire, mais ce qui est difficile, c'est de trouver un certain nombre de gens qui sont intéressés. Très souvent, lorsque nous rencontrons quelqu'un, eh bien, il ne peut pas le faire, parce qu'il est déjà embauché ailleurs.

Le président: L'automne dernier, nous avons eu des témoignages selon lesquels il y avait un seul employé indien à la C.E.N.C. au Yukon. Pour ma part, ce n'est pas un signe de bonne volonté pour utiliser les services des indigènes du Yukon. Est-ce que, disons depuis notre séance de l'automne dernier, lorsque cette question a été soulevée, est-ce que des efforts ont été faits pour intéresser, soit par les écoles professionnelles de Whitehorse, soit autrement, pour intéresser les jeunes Indiens à suivre un cours d'opérateur de centrales diesels, partout au Canada? Il n'y en a qu'une, je crois, à Edmonton. Est-ce que des efforts ont été faits à ce sujet?

M. MacDonald: Dans le domaine de l'orientation professionnelle, c'est ça, en fait, que l'on veut faire. Tout au long de leur éducation, on cherche à leur indiquer quel cours ils pourraient suivre, soit par l'intermédiaire du ministère de la Main-d'œuvre pour pouvoir remuer un peu, activer un peu la personne et l'inciter à aller suivre les cours. Ensuite, nous-mêmes, ou le ministère de la Main-d'œuvre, nous les poussons à continuer leur formation. Je ne peux pas vous parler de renseignements sur les efforts particuliers qui ont été faits depuis lors l'année dernière, mais je peux vous trouver la réponse, pour voir s'il y a eu du changement, ou si on a répondu à l'appel.

M. Smerchanski: Je pense que sur cette question de la formation, bien sûr, dans le passé, le Canada a fourni beaucoup de techniciens par le système d'apprentissage, c'est-à-dire de formation sur place, mais quand on nous dit maintenant que les stagiaires esqui-

[*Text*]

some of the better diesel operators on the CNR locomotive system into Pine Point, there must be something wrong with our approach in the Arctic in the Northwest Territories and in the Yukon in training the native people. I can appreciate that Manpower or some other agency is doing this, but I think that the main concern here is with the Department of Indian Affairs and Northern Development.

I do not know what the answer is, Mr. Chairman, but I think possibly somebody in the lower echelon should be told or instructed to use more efficiently the manpower that is available on these stations rather than to go through various government departments which are affiliated possibly through the training of personnel. My goodness, if these people have a grade 8, grade 9 or grade 10 education, it does not take very much imagination Mr. Chairman, to encourage them in the apprentice training system through the media of education and on-the-job training to become wonderful operators because the Eskimo is inherently mechanically inclined and he is a very competent individual.

We are missing a good bet here; we are going after another department, we are trying to bring in other people to train him, but we would give him a great deal of personal uplift and control of himself if we gave him the opportunity to go into the apprentice training system to work with the actual tools and ask somebody how to do it.

• 2100

Believe me, he will turn out to be a darn good operator. I would like to leave this suggestion with you, Mr. Chairman, because certainly from the few previous meetings we have had I got the impression that there is a lack of coordination and a lack of direct action here. We should be saying, "All right, we now have six positions available; let us fill them with local people". If we do not do that the local people are not going to be very enthused about any of our projects in the North. I do no think there would be anything nicer or better than getting them involved in it, getting enthused about it, and I think quite honestly in this department we can employ a great deal more of the local native population.

The Chairman: A supplementary, Mr. Gundlock?

Mr. Gundlock: Yes, just a short one, Mr. Chairman. As a matter of fact, I compliment you on raising this subject, and it is related.

[*Interpretation*]

maux sont devenus les meilleurs opérateurs de diesels du CN à Pine Point, depuis qu'ils ont été rencontrés, eh bien, on peut se dire qu'il y a quelque chose qui ne va pas dans votre système de formation des indigènes dans l'Arctique, dans les territoires du Nord-Ouest et au Yukon. Je comprends très bien les remarques selon lesquelles c'est la Main-d'œuvre, ou un autre organisme, qui s'en occupe, mais je pense, pour ma part, que ce qui nous intéresse ici, c'est le ministère des Affaires indiennes et du Nord canadien.

Je ne sais pas quelle est la réponse que l'on peut attendre, monsieur le président, mais je pense que quelqu'un, à l'échelon inférieur, a reçu pour instructions d'utiliser plus efficacement la main-d'œuvre disponible sur place plutôt que de passer par différents ministères gouvernementaux intéressés dans la formation du personnel. Mais bon sang, si ces gens ont une huitième, une neuvième, ou une dixième, il ne faut pas beaucoup d'imagination, monsieur le président, pour leur donner une formation sur place qui leur permettra de devenir de très bons opérateurs, car l'Esquimau est très compétent, et il a l'esprit mécanique et technique.

Nous perdons beaucoup ici, parce que nous allons chercher un autre ministère pour lui accorder cette formation, alors qu'il serait bon de lui donner la possibilité de se former sur place, d'utiliser sur place les outils, ce qui lui permettrait de demander comment faire.

Je vous assure qu'il fera un très bon conducteur de machines. Je voudrais que vous reteniez cette proposition, monsieur le président, parce que je pense que certainement, au cours des réunions antérieures, j'ai eu l'impression qu'il y a un manque de coordination et d'activité directe dans ce sens. On devrait dire, «bon, très bien, on a six postes de disponibles, qu'on peut confier aux gens qui sont sur place». Sinon les indigènes ne seront pas très emballés par nos projets dans le Nord. Il n'y a rien qui serait plus intéressant et de plus encourageant que de les voir participer. Je crois très honnêtement, que dans notre ministère, nous pourrions utiliser beaucoup plus d'indigènes.

Le président: Une question supplémentaire, monsieur Gundlock?

M. Gundlock: Je vous félicite d'avoir soulevé la question. Vous vous souviendrez, il y a quelque temps, lorsque ce comité s'est réuni

[*Texte*]

You will recall a very short time ago that as a Committee we met and visited many communities and almost invariably we ran into this same criticism.

I cannot recall one time that we did not meet up with the same matter that you have brought forth right now. They dislike—and when I say "they" I refer to the native people—having to send their children out to be educated. Again I come back to that same criticism; excuses and apologies were all we got from the departmental people. Their answer was that they have to be educated where the opportunities are. I think your point, Mr. Chairman, was brought forth extremely well; here is a real opportunity to educate these people where the job opportunities are, and I cannot emphasize that too strongly.

Mr. MacDonald: Mr. Chairman, the implication seems to have arisen—possibly from what I may have said, although I cannot recall it—that somehow this sort of training is not going on. I wonder if I may read to the Committee what I said to them on an earlier occasion when the subject was the question of training:

> On March 31, 1968, vocational training accounted for 620 Eskimo and Indians who were undergoing training in courses ranging from aircraft mechanics to welding. A large number of these are taking their training outside the territories, but in the federal vocational schools in Yellowknife there are 177 northern students, at Churchill, 187 and at Inuvik 40 students are engaged in vocational pursuits.

This is part of the total problem of education in the North today. We are trying to do as much of it as possible in the North, and in particular skills we try to find training facilities within the provincial educational systems or wherever it is being done. The Chairman mentioned one place in particular. This is probably the one place in Canada where they have the plant and equipment to do it. There is no dispute or argument about this. This is what the whole educational program is about, vocational and special skills.

The Chairman: Mr. Dinsdale on a supplementary.

Mr. Dinsdale: On this point, is the Department still using the facilities of the Department of National Defence at Kingston for adults?

Mr. MacDonald: I think not, Mr. Dinsdale, I think that arrangement terminated and I

[*Interprétation*]

et a visité plusieurs collectivités et nous avons entendu presque partout les mêmes critiques.

Je ne me souviens pas d'une collectivité où nous n'avons pas entendu formuler les critiques à ce sujet. Ils, et je veux dire les indigènes, n'aiment pas envoyer leurs enfants en dehors de leur communauté pour les faire instruire. Je reviens à la même critique; tout ce que nous avons entendu de la part des fonctionnaires du ministère ce fut des excuses. Leur réponse était qu'il faut enseigner les enfants là où on peut. Monsieur le président, je pense que vous avez très bien exprimé votre point. Voici une excellente occasion d'instruire ces gens, là où se trouvent les occasions d'emploi. Je ne peux pas trop insister sur cet aspect.

M. MacDonald: Il semble que d'après ce que j'ai dit, on a conclu que cette forme d'apprentissage ne s'effectue pas. Permettez-moi de lire au Comité ce que j'ai dit il y a quelque temps au sujet de la formation:

> Le 31 mars 1968, on comptait 620 Indiens et Esquimaux, qui suivaient des cours de formation professionnelle, de la mécanique des avions, de soudure, et ainsi de suite. Un grand nombre d'entre eux suivent des cours en dehors du territoire, mais dans les écoles de métier du gouvernement fédéral, il y a 177 étudiants des régions septentrionales à Yellowknife, 187 à Churchill, et 40 à Inuvik.

Cela fait partie de l'ensemble du problème actuel de l'enseignement dans le Nord. Nous essayons de fournir tous les services éducatifs possibles, et pour certains métiers, nous essayons de trouver des services de formation à l'intérieur du système d'éducation des provinces ou ailleurs. Le président a mentionné un endroit. C'est probablement le seul endroit au Canada où l'on trouve le matériel. Il n'y a pas de divergence d'opinions ou d'arguments à ce sujet. Voilà ce que tout notre programme d'éducation tourne autour, la formation technique et professionnelle.

Le président: Monsieur Dinsdale a une question supplémentaire.

M. Dinsdale: A ce sujet, est-ce que le ministère utilise encore les services du ministère de la Défense nationale pour la formation des adultes?

M. MacDonald: Je crois que non. Il me semble que ce système est révolu et qu'on

[*Text*]

believe at this time we are primarily relying on provincial systems.

The Chairman: Mr. Nielsen?

Mr. Nielsen: Mr. Chairman, could we get back to power?

Mr. Dinsdale: If I may ask one supplementary and then we can get back to power. Is the reason for the shortage of native employment the lack of trained people, and particularly adults?

Mr. MacDonald: I think, Mr. Dinsdale, that is part of the answer. I think it also has to be honestly admitted that it is partly attitudinal, oversight, the lack of effective means of translating intent and desire into specific action. I think these are the aspects that are improving, but naturally, of course, there are skills.

Mr. Dinsdale: But the school at Kingston was doing good work.

The Chairman: Mr. Dinsdale, I should remind you that we got into this training aspect because we were talking about training for diesel and electric power plants.

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Mr. Dinsdale: This is a diesel training school. This is specifically for power plant operators.

The Chairman: Mr. Simpson?

Mr. Simpson: I have a supplementary, Mr. Chairman, particularly in the field of employment and specifically, I suppose, in relation to native employment. I understood it was mentioned that there were a total of 37 employees with NCPC at Frobisher. I would like to know how that compares with the number of employees of NCPC at Inuvik. Would you also inform me if these are two of the largest areas of employment by NCPC in their operations throughout the North?

The Chairman: I am not just clear if you want...

Mr. Simpson: How many employees are there at Inuvik?

Mr. Humphrys: There are 47 at Inuvik and 37 at Frobisher.

Mr. Simpson: Would Inuvik be the largest...

Mr. Humphrys: Yes, the largest single station.

[*Interpretation*]

dépend surtout des systèmes d'enseignement provinciaux.

Le président: Monsieur Nielsen.

M. Nielsen: Est-ce qu'on ne pourrait pas revenir à la question de l'électricité?

M. Dinsdale: J'ai une question supplémentaire. Nous pourrons revenir à l'électricité ensuite. Est-ce que la raison pour laquelle on n'emploie pas suffisamment d'indigènes, c'est qu'il n'y a pas suffisamment de gens qualifiés, et des adultes en particulier?

M. MacDonald: Oui, en partie. Il y a peut-être eu aussi négligence de la part des autorités, qu'on n'ait pas pu traduire en œuvres l'intention et le désir des autorités. Ce sont tous les aspects du problème, mais il est évident qu'ils accroissent leur compétence.

M. Dinsdale: Mais l'école à Kingston a connu certains succès, n'est-ce pas?

Le président: Nous nous sommes embarqués dans la question de formation parce qu'on parlait de la profession professionnelle des employés des centrales à combustion internes et hydro-électriques.

M. Dinsdale: Mais c'est une école de formation pour mécaniciens diesels, destinée spécialement à la formation des opérateurs de centrales électriques.

Le président: M. Simpson?

M. Simpson: Je veux parler plus particulièrement de l'emploi des indigènes. Je pense qu'on a mentionné qu'à Frobisher Bay il y avait 37 employés de la CENC. Je voudrais savoir comment ce chiffre se compare avec le nombre d'employés à Inuvik. Je me demande si vous pourriez me dire s'il s'agit des deux régions où la CENC offre le plus grand nombre d'emplois.

Le président: Je ne sais pas au juste ce que ...

M. Simpson: Combien d'employés avez-vous à Inuvik?

M. Humphrys: 47 à Inuvik et 37 à Frobisher Bay.

M. Simpson: Est-ce que Inuvik serait le centre d'emploi le plus important?

M. Humphrys: Oui, la centrale la plus importante.

[*Texte*]

Mr. Simpson: The largest single station. Is Frobisher second or...

Mr. Humphrys: Yes, Frobisher is the second largest.

Mr. Simpson: What other ones do we have that are in that relatively—

Mr. Humphrys: At Fort Simpson we have 31 employees.

At Moose Factory we have 23 and at Snare River we have 15.

Mr. Simpson: Going from Moose Factory back to Inuvik, what is the proportion of native people employed in respect to the total employment?

Mr. Humphrys: At the last reading there were 47 staff members at Inuvik. There was one Eskimo and five Métis. At Moose Factory there was a total staff of 23. There were 15 Indians and two local residents. They may have been non-Indians.

Mr. Simpson: Very good.

Mr. MacDonald: The Committee might be interested in a note that has been passed to me which will give you an example of the possibilities of skills over a period of time. Mr. John Evans who is a Métis in Fort Smith was trained by the Northern Canada Power Commission and he is now assistant superintendent of our largest hydro installation at Taltson. So, these people are beginning to show some progress.

Mr. Nielsen: Mr. Chairman, I wonder if I may ask a question supplementary to the one raised by Mr. O'Connell. In connection with the cost trends, Mr. Humphrys would you separate the figures that you have given and which you have said are applicable to the whole of the northern operations of NCPC so that the Committee members will know what the trend is in the Yukon and what the trend is in the Northwest Territories.

Mr. Humphrys: I did that, Mr. Nielsen, in respect to the industrial power. I cannot do it in respect to the domestic and commercial consumption of power because we only have the figures that were quoted by the Dominion Bureau of Statistics, and they were not separated before 1968.

The Chairman: Mr. Nielsen, if you would excuse me for a moment, Mr. Cullen indicated quite some time ago that he had a question, and he had been overlooked in all these supplementaries. Would you permit him to go ahead?

Mr. Nielsen: Certainly.

[*Interprétation*]

M. Simpson: Et celle de Frobisher Bay vient en deuxième lieu?

M. Humphrys: Oui, celle de Frobisher Bay vient en deuxième lieu.

M. Simpson: Et quelles autres centrales avons-nous?

M. Humphrys: Nous avons 31 employés à Fort Simpson, à Moose Factory, nous en avons 23, et à Snare River nous en avons 15.

M. Simpson: Pour revenir à Inuvik, quelle est la proportion d'employés indigènes comparativement au nombre total d'employés?

M. Humphrys: A Inuvik, sur les 47 membres du personnel, il y avait un Esquimau et cinq métis. A Moose Factory, sur 23 membres du personnel, il y avait quinze Indiens et deux autres personnes de la région. Je ne sais pas si c'étaient des Indiens.

M. Simpson: Bien.

M. MacDonald: Le Comité serait peut-être intéressé aussi à savoir à titre d'exemple, ce qu'on vient de me remettre, quant aux acquisitions de compétence sur une période de temps. M. John Evans, de Fort Smith, est un Métis. Il a été formé par le CENC et il est maintenant surintendant adjoint de notre plus grande centrale hydro-électrique à Taltson. C'est donc dire que nous obtenons certains résultats.

M. Nielsen: Je voudrais poser une question supplémentaire à celle de M. O'Connell, relative à la conjoncture des coûts. M. Humphrys, est-ce que vous pouvez ventiler les chiffres que vous nous avez donnés et qui visent l'ensemble des exploitations de la CENC dans le Nord afin que les membres du Comité puissent savoir quelle est la conjoncture au Yukon et dans les Territoires du Nord-Ouest.

M. Humphrys: Je l'ai fait au sujet de la consommation industrielle. Je ne peux pas le faire au sujet de l'énergie consommée par les particuliers et les entreprises parce que nous n'avons que les chiffres cités par le Bureau fédéral de la statistique, qui n'étaient pas ventilés avant 1968.

Le président: Monsieur Nielsen, excusez-moi un instant. Monsieur Cullen a indiqué il y a un certain temps qu'il y avait une question à poser, il a été oublié avec toutes ces questions supplémentaires qui ont été posées. Lui permettriez-vous de poser sa question?

M. Nielsen: Certainement.

[*Text*]

Mr. Cullen: I think Mr. Nielsen will be happy to know that I am coming back to the electrical part of the Yukon. I think you are too easy with us, Mr. Chairman. I think when we get off the topic you should tell us to stop. The agenda tonight, as I see it, deals with electric power. I only have a couple of questions. The first one is in connection with the market. We had an indication of roughly a 10 per cent increase on an average basis in either production or consumption, and I assume production and consumption would be the same thing here, and you have indicated that a good portion of this growth would be in Whitehorse. What dictates where you go for expansion in so far as markets are concerned? Is it the finding of a mine or the development of a community? What dictates that to the Committee?

Mr. MacDonald: I am sure you are aware

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the characteristic of the North is its heavy reliance on the extractive industries and, as the general manager mentioned earlier, this affects the curve of the growth. It is unlike, for example, a large metropolis which might show an expansion heavily weighed by domestic consumption, which is rather more even in its growth. We are likely to come on stream with great chunks and our growth will be affected by the discovery of an extractable resource which private capital has decided to bring into production, and in the process of so doing will be in discussion with us as to the availability of power, roads and many other things. As the population in the North grows there will be in certain of these areas such as Yellowknife and Whitehorse a certain built-in growth which we can presume will take on more significance that it had in the past, but I still think that primarily we see these large increments coming as a characteristic of our growth.

Mr. Cullen: Then are you saying that in the first instance you react rather than act? Do you react to a development or do you encourage it by going into a small community that might develop?

Mr. MacDonald: This is where the interrelationship between the Department and the Northern Canada Power Commission becomes evident. We act because we have a whole system of incentives, communication and liaison, and with possible potential capital, inventory and explanation resources for the building of roads which are designed to open up territories that have high resource potential. All of this, of course, is designed to bring

[*Interpretation*]

M. Cullen: Vous serez heureux, M. Nielsen, de savoir que je reviens à la question de l'électricité au Yukon. Vous êtes trop poli, monsieur le président. Lorsque nous nous écartons du sujet, vous devriez nous en aviser. La question à l'ordre du jour est celle de l'électricité. Je n'ai que quelques questions. Au sujet du marché, vous nous avez dit qu'il y avait eu une augmentation d'à peu près 10 p. 100 en moyenne soit de la production ou de la consommation, et je crois que la production et la consommation dans ce cas sont une et même chose puisque vous avez indiqué que ce serait à Whitehorse que l'on constate la majeure partie de cette augmentation. Qu'est-ce qui explique l'augmentation du marché, la découverte d'une mine, l'expansion d'une ville, ou quoi?

M. MacDonald: Comme vous le savez, le Nord dépend énormément des industries d'extraction ce qui affecte beaucoup la courbe de croissance. Ce n'est pas comme une grande métropole où il y aurait une forte expansion des marchés à cause de la consommation domestique, et donc une courbe de croissance plus régulière. Notre croissance est influencée par les découvertes d'une ressource minière que les investisseurs privés ont décidé d'exploiter, et dont l'exploitation comportera des discussions relatives à l'énergie disponible, les routes, et ainsi de suite. Au fur et à mesure qu'augmentera la population du Nord, il va y avoir dans certaines de ces régions, comme Yellowknife et Whitehorse, une expansion intérieure qui, nous le supposons, va prendre plus d'importance qu'elle n'en avait autrefois. mais je pense, malgré tout, que ces fortes augmentations proviennent de notre croissance.

M. Cullen: Voulez-vous dire que, tout d'abord, vous réagissez plutôt que vous n'agissez? Réagissez-vous à l'expansion ou l'encouragez-vous en vous installant dans une petite collectivité qui a des chances d'expansion?

M. MacDonald: C'est là que le rapport entre le Ministère et la CENC devient évident. Nous agissons parce que nous avons toute une série de stimulants, les communications et la liaison, et, avec un capital possible, les ressources connues et les ressources à explorer; ces stimulants nous encouragent à construire des routes en vue d'ouvrir à l'exploitation les territoires qui ont d'importantes ressources en réserve. Tout cela, bien sûr, a

[*Texte*]

about development. One then has to react to the success of these things. If in fact an exploitable mineral is discovered such as happened, for example, recently at Anvil, then there is the process of that particular capital formation trying to work out the combination of production costs, transportation, markets—which are world markets—and contracts for that over the duration of the time that is required for the recovery of the very large kinds of capital—in this case something of the order of $60 million to $80 million—and in that process the question of power, the source of energy, is one of the elements. It is hard to say just where action and reaction comes about.

Mr. Cullen: You have indicated this is where the Commission works for the Department. Are you in competition with private enterprise, and do you have the added advantage of working in conjunction with the Department?

Mr. MacDonald: I do not think there is much competition for the provision of the large capital sums of money that are required for the development of power in the North. There may be competition for the retailing of it.

Mr. Cullen: I am thinking of a situation where a development like Thompson, Manitoba, might take place in the Northwest Territories where you would have what would obviously be a ripe market, and there would be encouragement. This is a market that in essence could be productive and economical. Would there be competition there?

Mr. MacDonald: Competition to supply the capital to build a large installation for the production of power?

Mr. Cullen: And then to ultimately produce and make a profit, of course.

Mr. MacDonald: On what, on the metals or only on the power?

Mr. Cullen: On the power.

Mr. MacDonald: I do not think there is such competition. I am not aware of large sums of capital eager to flow in to provide this kind of investment. Most of the capital investment we are familiar with wants to go into the production end of the metals, or oil. That is where capital is flowing.

Take the case of Anvil or Cypress Mines as an example. They are seeking the maximum amount of public investment in the infrastructure. From their point of view the power and the roads are side issues. It only ties up

[*Interprétation*]

pour objet d'amener l'expansion. Il faut donc réagir devant le succès de ces efforts. Si, en fait, on découvre un minerai exploitable, comme cela s'est produit récemment, par exemple, à Anvil, il y a le processus de cette formation particulière de capital, où l'on cherche à combiner les coûts de production, le transport, les marchés—qui sont des marchés mondiaux—et les contrats pour cela durant toute la période nécessaire du recouvrement des capitaux très importants—dans ce cas-ci, cela va chercher dans les 60 ou 80 millions de dollars; et l'énergie est l'un des éléments de ce processus. Je ne sais pas au juste où l'action et la réaction entrent en jeu.

M. Cullen: Vous avez dit que c'est là que la Commission travaille pour le Ministère. Êtes-vous en concurrence avec l'entreprise privée, et avez-vous de plus l'avantage de travailler en collaboration avec le ministère?

M. MacDonald: Je ne pense pas qu'il y ait beaucoup de concurrence lorsqu'il s'agit de fournir les capitaux importants nécessaires pour la mise en exploitation de l'énergie dans le Nord. Il y a peut-être de la concurrence lorsqu'il s'agit de la vente.

M. Cullen: Je songe à la possibilité d'avoir, dans les territoires du Nord-Ouest, une mise en exploitation dans le genre de celle de Thompson, au Manitoba; il y aurait, de toute évidence, un marché tout prêt, et l'encouragement nécessaire. Il s'agit d'un marché qui, en essence, pourrait être productif et économique. Est-ce qu'il y aurait alors de la concurrence?

M. MacDonald: De la concurrence pour fournir les capitaux nécessaires à la construction d'une grande centrale de production d'énergie?

M. Cullen: Et pour finalement produire et retirer des bénéfices, bien sûr.

M. MacDonald: De quoi? Des métaux, ou seulement de l'énergie?

M. Cullen: De l'énergie.

M. MacDonald: Je ne pense pas qu'une telle concurrence existe. Il n'y a pas, à ma connaissance, de vastes capitaux que l'on soit prêt à fournir pour ce genre d'investissement. La plupart des capitaux disponibles sont orientés vers la production de métaux, ou vers le pétrole. C'est là que vont les capitaux.

Prenez par exemple le cas d'Anvil, ou de Cypress Mines. C'est pour l'infrastructure que l'on recherche le plus les investissements privés. On considère l'énergie et les routes comme des questions secondaires, car elles ne

[*Text*]

their capital. They are very pleased to see this coming from the public sector, and we of course think it is a very proper relationship.

Mr. Cullen: That is fine for the industry that is operating there, a mine or something like that, but I am thinking of someone like—for want of a better company—Yukon Electric who might want to move in there in co-operation with the company that is already there. I am not talking about competing with the mine that is already there that wants to produce its own power. I am thinking more of a private enterprise outfit that is solely engaged in producing power. Would you be in competition with them for that market?

Mr. MacDonald: I guess so.

Mr. Cullen: Thank you.

Mr. MacDonald: Because we think it is our job to provide power at the lowest possible cost.

Mr. Dinsdale: Could you tell us the formula that was used at Pine Point? That was a pretty big power development in the Territories.

Mr. Humphrys: What development, sir?

Mr. Dinsdale: The formula for Pine Point power. It is not quite as big as Thompson but it is pretty big.

Mr. MacDonald: You may recall, Mr. Dinsdale, that the provision of power was one of the essential elements to encourage the company to go forward with the development.

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There were two elements, transportation—the railway—and the availability of power, and in Penhold the Crown undertook to guarantee this in the case of the transportation.

Mr. Humphrys: The power was provided as a federal government investment on a 40-year amortization basis on the understanding that the company would contract to purchase power for 20 years.

Mr. Dinsdale: There was no interest in private power in that particular project?

Mr. MacDonald: As I say, I am not aware of any large capital formation that wants to go in and invest on anything on a 40-year amortization period.

Mr. Nielsen: Mr. Chairman, may I just refer Mr. MacDonald to appendix A, which is attached to his letter to you, when he says he

[*Interpretation*]

font qu'immobiliser des capitaux. On est très satisfait que ces capitaux viennent du secteur privé; et pour notre part, bien sûr, nous estimons que c'est une très bonne chose.

M. Cullen: C'est très bien pour l'industrie qui est déjà installée sur place, une mine, par exemple; mais je pense à une société comme, disons, faute de mieux, la *Yukon Electrical Co.* qui pourrait vouloir s'installer là-bas et travailler en collaboration avec la société qui est déjà sur place. Je ne parle pas de concurrence avec la mine qui est déjà sur place et qui veut sa propre énergie. Je pense plutôt à une entreprise privée qui ne produit que de l'énergie. Seriez-vous en concurrence avec elle pour ce marché?

M. MacDonald: Je suppose que oui.

M. Cullen: Merci.

M. MacDonald: Car nous estimons de notre devoir de fournir de l'énergie à un prix aussi bas que possible.

M. Dinsdale: Pourriez-vous nous dire quelle formule on a adoptée à Pine Point? C'est là une importante centrale électrique, que l'on a installée dans les territoires.

M. Humphrys: Quelle centrale, monsieur?

M. Dinsdale: Celle de Pine Point. Elle n'est pas aussi grande que celle de Thompson, mais elle est tout de même assez importante.

M. MacDonald: Vous vous souviendrez peut-être, monsieur Dinsdale, que l'alimentation en énergie était l'un des facteurs essentiels pour encourager la société à faire cette mise en exploitation. Il y avait deux éléments: les transports—le chemin de fer—et la disponibilité de l'énergie; et à Penhold, la Couronne s'est engagée à garantir les transports.

M. Humphrys: L'énergie a été fournie grâce à un investissement du gouvernement fédéral, avec un amortissement étalé sur 40 ans, à la condition que la société s'engage par contrat à acheter de l'énergie pendant 20 ans.

M. Dinsdale: Aucune entreprise privée d'énergie ne s'intéressait à ce projet?

M. MacDonald: Je le répète, nul, à ma connaissance, n'est prêt à investir des capitaux importants pour une période d'amortissement de 40 ans.

M. Nielsen: Monsieur le président, puis-je renvoyer M. MacDonald à l'Appendice A à la lettre qu'il vous avait adressée, lorsqu'il dit

[*Texte*]

is not aware of any capital that is prepared to come in.

I infer from his appendix, where he sets forth the corporate structure of Yukon Electric, International Utilities, Canadian Utilities, and so on, that here is a fairly large corporate structure with all sorts of capital that is ready, willing and able to come along. I throw that out as a suggestion and ask the direct question if the Department or NCPC has ever taken the trouble to find out? For instance, was Yukon Electric, International or Canadian Utilities invited to tender on the Anvil project?

Mr. MacDonald: I think I made a careful distinction, Mr. Nielsen, in my earlier remark between the production of power and the retailing of it. I think there are a lot of people who would like to come into the retailing end of it, but I repeat that I am not aware of anybody who is prepared to put in 40-year money.

Mr. Nielsen: On the Anvil project specifically, was private enterprise invited to submit a proposal?

Mr. MacDonald: No, they were not.

Mr. Nielsen: Why not?

Mr. MacDonald: For the reasons I have just indicated. There was no belief on our part that we could hope to secure capital on a 40-year amortization basis.

Mr. Nielsen: But how would you know unless you asked?

Mr. MacDonald: And secondly, it was the decision of the government department that it would be provided by Northern Canada Power as one of our undertakings to the Anvil Mining Corporation Ltd.

Mr. Nielsen: Is it not fair, Mr. MacDonald, to say that the letter reason is the governing reason?

Mr. MacDonald: I think that is quite fair, yes.

Mr. Nielsen: In other words, in that particular project—and since it was raised by Mr. Cullen I am sure he will be interested in the answer—the decision was that the government was going to do it and private enterprise was not going to do it.

Mr. MacDonald: As a matter of fact, it was one of the commitments we made to Anvil to bring Anvil into existence. This is one of the things they wanted. They wanted the federal

[*Interprétation*]

qu'à sa connaissance, nul n'est prêt à investir des capitaux là-bas.

Je conclus de cet appendice, où il décrit la structure de la *Yukon Electrical Co.*, de l'*International Utilities*, de la *Canadian Utilities*, etc., qu'il y a là une structure assez importante, avec toutes sortes de capitaux que l'on est prêt à investir. C'est une idée que je vous propose, et je vais vous poser une question directe: le Ministère ou la CENC se sont-ils jamais donné la peine d'explorer cette possibilité? Par exemple, est-ce que l'on a invité la *Yukon Electrical Co.*, l'*International Utilities* ou la *Canadian Utilities* à faire des offres pour le projet d'Anvil?

M. MacDonald: Je pense avoir bien fait la distinction, monsieur Nielsen, entre la production de l'énergie et sa distribution. Il y a beaucoup de gens, je crois, qui s'occuperaient volontiers de la distribution de l'énergie, mais, je le répète, je ne connais personne qui soit disposé à investir des capitaux pour 40 ans.

M. Nielsen: Mais, dans le cas particulier du projet d'Anvil, est-ce que l'on avait invité l'entreprise privée à soumettre des offres?

M. MacDonald: Non.

M. Nielsen: Pourquoi?

M. MacDonald: Pour les raisons que je viens de donner. Nous n'estimions pas avoir des chances d'obtenir des capitaux avec un amortissement de 40 ans.

M. Nielsen: Mais comment pouviez-vous le savoir sans même avoir demandé?

M. MacDonald: De plus, c'était le Ministère qui avait décidé que la Commission d'énergie du Nord canadien fournirait l'énergie, et cela devait faire partie de ses engagements envers l'*Anvil Mining Corporation Ltd.*

M. Nielsen: N'est-il pas juste, monsieur MacDonald, de dire que cette dernière raison était la raison majeure?

M. MacDonald: Si, en effet.

M. Nielsen: Autrement dit, dans le cas de ce projet particulier—et je suis certain que ceci intéressera M. Cullen, puisque c'est lui qui avait posé la question—on avait décidé que le gouvernement allait s'en occuper, et non l'entreprise privée.

M. MacDonald: De fait, c'était l'un des engagements que nous avions pris avec Anvil pour provoquer sa création. C'était l'une des requêtes: que le gouvernement fédéral et la

[*Text*]

government and Northern Canada Power Commission to undertake the supply of power.

Mr. Nielsen: Surely you are not suggesting that they did not want private enterprise to do it?

Mr. MacDonald: They did not ask for it.

Mr. Nielsen: Was it part of the government's condition with respect to the Anvil agreement that unless NCPC supplied the power as a part of the package they would not get their road, they would not get their bridge, they would not get their townsite and they would not get any other federal investment?

Mr. MacDonald: Not at all. This never entered into the discussion. It was quite the reverse. Quite frankly, Anvil wanted the weight and backing of the federal government on these vital utilities. You might like to ask them about it. I think, to be perfectly honest, they preferred it.

Mr. Nielsen: I see. You say they asked the government to do it in preference to private enterprise?

Mr. MacDonald: They certainly wanted the federal government to do it.

Mr. Nielsen: I do not know if we are on the same wavelength. Did they ask the government to do it in preference to private enterprise?

Mr. MacDonald: From their point of view and from our point of view the question never occurred to them because they were aware of the problems of raising capital as well. All they wanted from us . . .

Mr. Nielsen: Is my question that difficult?

Mr. MacDonald: Not at all.

Mr. Nielsen: Did they ask the federal government in preference to private enterprise to supply power at Anvil?

Mr. MacDonald: I do not know about the latter but the answer to the first part is yes. The question of preference never arose. They did not raise it and we did not raise it.

Mr. Nielsen: All right. This leads to my next line of questioning. This is very important to the whole of the NCPC system in the Whitehorse area, and I would draw to the attention of the members who have been asking questions along these lines that by trans-

[*Interpretation*]

Commission d'énergie du Nord canadien s'engagent à fournir l'énergie.

M. Nielsen: Vous ne voulez tout de même pas dire qu'ils ne voulaient pas que l'entreprise privée s'en charge?

M. MacDonald: Ils ne l'ont pas demandé.

M. Nielsen: Est-ce que l'une des conditions imposées par le gouvernement dans l'accord avec Anvil était qu'à moins que la C.E.N.C. ne fournisse l'énergie, Anvil n'aurait ni sa route, ni son pont, ni son lotissement urbain, ni d'autres investissements du gouvernement fédéral?

M. MacDonald: Non, pas du tout. Cela n'est jamais entré en ligne de compte. Bien au contraire, je vous assure qu'Anvil voulait l'appui du gouvernement fédéral pour ces services essentiels. Vous pourriez peut-être le leur demander. Je pense, honnêtement, qu'ils préféraient que les choses soient ainsi.

M. Nielsen: Je vois. Vous soutenez qu'ils ont demandé au gouvernement fédéral de s'en occuper, plutôt qu'à l'entreprise privée.

M. MacDonald: Ils voulaient assurément, que le gouvernement fédéral s'en occupe.

M. Nielsen: Je ne sais pas si nous sommes branchés sur la même longueur d'ondes. Est-ce qu'ils ont demandé au gouvernement de s'en occuper plutôt qu'à l'entreprise privée?

M. MacDonald: Ni pour eux ni pour nous, la question ne s'est jamais posée, car ils auraient eux aussi conscience de la difficulté qu'il y aurait à obtenir des capitaux. Tout ce qu'ils voulaient de nous. . .

M. Nielsen: Est-ce que ma question est si difficile à comprendre, monsieur MacDonald?

M. MacDonald: Non, pas du tout.

M. Nielsen: Est-ce qu'ils ont demandé au gouvernement fédéral, plutôt qu'à l'entreprise privée, de fournir l'énergie à Anvil?

M. MacDonald: Pour ce qui est de la dernière partie de votre question, je ne sais pas. Mais pour ce qui est de la première partie, la réponse est «oui». La question de la préférence ne s'est jamais posée. Ils ne l'ont pas soulevée, et nous non plus.

M. Nielsen: D'accord. Cela m'amène à mon autre série de questions. Ceci est très important pour tout le réseau de la C.E.N.C. dans la région de Whitehorse, et je voudrais porter à l'attention des membres du Comité qui ont posé des questions dans ce sens, le fait que,

[*Texte*]

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mission line Anvil is—and Mr. Humphrys will correct me if I am wrong—some 270 miles from Whitehorse.

Mr. Humphrys: It is 225 miles.

Mr. Nielsen: It is 225 miles from Whitehorse, and it is contemplated as being a user of some 9,300 kilowatts. Is that right? There is going to be a line-loss on that 225 miles. Would that be in the neighbourhood of 1,000 kilowatts?

Mr. Humphrys: Yes.

Mr. Nielsen: And the townsite is going to require supplying. What would be your demand there?

Mr. Humphrys: Of the order of 500 kilowatts.

Mr. Nielsen: So we are speaking about something close to 11,000 kilowatts.

Mr. Humphrys: Right.

Mr. Nielsen: And it was in anticipation of the Anvil demand, to say nothing of New Imperial Mines Limited and the increasing user because of the influx of population and industrial development of Whitehorse, that the 8,000 kilowatt unit was to be installed as a third unit in the Whitehorse plant. How is an 8,000 capacity unit going to look after an almost 11,000 demand?

Mr. Humphrys: There is also a 9,000 kilowatts of diesel capacity being installed.

Mr. Nielsen: Was private enterprise asked to take over any portion of this extra burden that was being placed on the Whitehorse facility?

Mr. MacDonald: No, we had ample capacity.

Mr. Nielsen: The impression is also left in Appendix A of the material you submitted with your letter particularly on page 4, that Whitehorse is supplied by the Yukon Electrical Company as a distributor with the NC supplying the hydro, and I think for the purpose of clarification for the other members of the Committee that you would agree that Yukon Electrical Company also, through its own hydro facilities in Whitehorse, supplies a fair chunk of that power. Is that not correct?

Mr. Humphrys: It was stated in the information that Yukon Electrical Company does...

[*Interprétation*]

par la ligne de canalisation, Anvil est situé à—et M. Humphrys me corrigera si je me trompe—270 milles de Whitehorse.

M. Humphrys: 225 milles.

M. Nielsen: 225 milles de Whitehorse, et l'on envisage que sa consommation sera de 9,300 kilowatts environ. Est-ce bien cela? Il va se perdre de l'énergie, sur ces 225 milles—dans les 1,000 kilowatts?

M. Humphrys: Oui.

M. Nielsen: La ville aura aussi besoin de services électriques. Quels seront les besoins?

M. Humphrys: De l'ordre de 500 kilowatts.

M. Nielsen: Donc nous parlons de quelque chose de l'ordre de 11,000 kilowatts.

M. Humphrys: Exact.

M. Nielsen: Et c'était en anticipant la demande de Anvil pour ne pas mentionner New Imperial Mines Limited le développement industriel de Whitehorse et l'augmentation de la population, que l'unité de 8,000 kilowatts devait être construite comme troisième unité de la centrale de Whitehorse. Comment une centrale de 8,000 kW pourra-t-elle fournir à une demande de 11,000 kw.

M. Humphrys: On installe également une centrale diesel de 9,000 kilowatts.

M. Nielsen: Est-ce qu'on a demandé à l'entreprise privée si elle ne pourrait pas prendre à charge une partie de ce fardeau additionnel?

M. MacDonald: Non, nous avions la capacité voulue.

M. Nielsen: On a l'impression en lisant l'appendice A de ce que vous avez soumis avec votre lettre, à la page 4, que Whitehorse est fourni par Yukon Electrical Company à titre de distributeur, avec le CENC fournissant l'Hydro-electric. Et je pense que pour éclaircir la question, vous seriez d'accord que Yukon Electrical, grâce à ses propres services à Whitehorse, fournit une grande partie de l'énergie. Est-ce exact?

M. Humphrys: Dans les renseignements on dit que la compagnie Yukon Electrical...

[*Text*]

Mr. Nielsen: It is later on. But the bare figures leave one with that impression, and most of us read very quickly and very scantily these things.

Mr. O'Connell: Mr. Chairman, I think we read it very carefully.

Mr. Nielsen: I have one further question that arose out of the questioning by Mr. Cullen. You will recall he was asking Mr. MacDonald with respect to the competition of NCPC with investor-owned utilities in the Yukon—and I believe you were on the subject of Anvil—and you agreed with him that there was a competition. Your words were, and I think I have them down here correctly, "because we figured our job was to provide power at the lowest possible cost." Are you asking the members of the Committee to take from that that private enterprise or investor-owned utilities cannot supply power at a lower cost than NCPC?

Mr. MacDonald: I do not think they could supply it at a lower cost, no, for the reasons I indicated at an earlier point in my remarks—the cost of borrowing and the length of amortization in what is one of the most highly capital intensive industries in the whole matrix.

Mr. Nielsen: All right, Mr. MacDonald, but I think you will agree that investor-owned utilities do not get the federal income tax concession that NCPC gets, and that is an added cost to their overhead. And what really struck me, when we are speaking of costs, are the figures on page 5 of your appendix. You just told my friend, Mr. Simpson, that there are 47 employees at Inuvik, 37 employees at Frobisher Bay—and I invite the Committee members to compare the generating capacity of these two plants—31 employees at Fort Simpson, which produces approximately one-fifth, in terms of capacity, of either one or the other two plants. There are two questions arising out of this, Mr. Humphrys. What is the explanation for what appears to be a gross incongruity between Fort Simpson producing 615 kilowatts with 31 employees as opposed to a plant at Inuvik producing some 2,500 kilowatts with 47 employees.

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Mr. MacDonald: Are you forgetting, Mr. Nielsen, that at Inuvik we are running a water and sewage plant?

Mr. Nielsen: No, I am not forgetting that at all but I assume, Mr. MacDonald, that the

[*Interpretation*]

M. Nielsen: Plus tard, mais les chiffres nous laissent cette impression; nous lisons tous très vite ces choses-là, évidemment.

M. O'Connell: Monsieur le président, je pense que nous les lisons sérieusement.

M. Nielsen: Une autre question qui découle des questions posées par M. Cullen. Il a demandé à M. MacDonald s'il y avait de la concurrence entre la CENC et les sociétés privées au Yukon, je crois que vous parliez d'Anvil et vous avez admis qu'il y avait concurrence. Vous avez dit, je pense que je vous cite correctement: «Parce que nous pensons que c'est de notre devoir de fournir l'énergie au prix le moins élevé possible.» Est-ce que vous demandez aux membres du comité d'en conclure que l'entreprise privée ne peut pas fournir d'énergie à meilleur compte que la CENC.

M. MacDonald: Je ne pense pas qu'ils pourraient fournir d'énergie à meilleur compte pour les raisons que j'ai indiquées. A savoir, à cause du coût d'emprunt, de la durée de l'amortissement dans une des industries qui demande le plus de capitaux.

M. Nielson: Vous serez d'accord que les sociétés privées n'ont pas les avantages fiscaux consentis à la CENC et que ceci s'ajoute à leurs frais généraux. Ce qui m'a frappé, lorsqu'on parle de coût ce sont les chiffres de la page 5, de votre appendice. Vous venez de dire à mon ami, M. Simpson, qu'il y a 47 employés à Inuvik et 37 à Frobisher Bay et j'invite les membres du Comité à comparer la capacité de production de ces deux centrales, comparée à celle de Fort Simpson qui a 31 employés. Cette dernière produit à peu près un cinquième de l'une ou l'autre de ces deux centrales. Comment expliquez-vous cette disparité entre Fort Simpson qui produit 615 kilowatts avec 31 employés, et Inuvik qui produit 2,500 kilowatts avec 47 employés?

M. MacDonald: Oubliez-vous M. Nielsen qu'à Inuvik, nous avons les services d'égoûts et d'eau?

M. Nielsen: Non je ne l'oublie pas, mais il me semble que le même raisonnement s'appli-

[*Texte*]

same reasoning would apply at Inuvik as you have outlined with respect to Dawson—that the same plant personnel would be taking care of it.

Mr. Humphrys: It is an entirely different operation.

Mr. MacDonald: You are seizing upon 47 employees and the production of electricity whereas at Inuvik the think that is dominant there is the heating and water. We are running a utility system besides the electric power plant.

Mr. Nielsen: Okay. I am no power expert but most of the Committee members have seen, for instance, the plant at Watson Lake. In terms of kilowatts, Mr. Humphrys, how much does that produce?

Mr. Humphrys: I have not the figures.

Mr. Nielsen: I believe it is something in the order of 1,000 kilowatts, but I may be wrong in that. I think there are three employees at Watson Lake with the same generating capacity as Fort Simpson with 31 employees. How come?

Mr. Humphrys: At Fort Simpson we operate a central heating plant to heat the school and hostels, we operate our water and sewer system, we do all the maintenance for the government housing and the school and hostel building. The power plant is really a small part of the operation at Fort Simpson. As I say, there are four distinct operations there.

Mr. MacDonald: These are all separately costed and allocated to each of these functions.

Mr. Nielsen: Do you mean to tell me that NCPC personnel operate the heating plant in the hostel at Fort Simpson as opposed to departmental personnel?

Mr. Humphrys: Right.

Mr. Nielsen: Is this the practice elsewhere?

Mr. Humphrys: We do this in several places. That is why we have to staff at Inuvik. We operate a central heating plant that supplies bulk of the community. At Fort Simpson we operate a central heating plant that supplies the hostels and schools. At Fort McPherson we do this. At Frobisher Bay we do it. At Moose Factory we do it.

Mr. Nielsen: This then leads to my next question. Is it the intention of the Department or NCPC—the policy is getting kind of mixed

[*Interprétation*]

querait à Inuvik comme à Dawson, c'est-à-dire que le personel pourrait s'en occuper.

M. Humphrys: Dans une usine différente.

M. MacDonald: Vous utilisez les chiffres de 47 employés et de la production d'électricité, tandis qu'à Inuvik, ce qui prédomine, c'est le chauffage et le service d'eau. Nous avons un système de service public, a côté de la centrale électrique.

M. Nielson: Je ne suis pas un expert, mais la plupart des députés ont vu la centrale à Watson Lake. En termes de kilowatts, combien est-ce que vous produisez là?

M. Humphrys: Je n'ai pas les chiffres.

M. Nielson: Je crois que c'est de l'ordre de 1,000 kW. Il y a trois employés à Watson Lake qui produisent la même énergie qu'à Fort Simpson avec 31 employés. Comment expliquez-vous cela?

M. Humphrys: A Fort Simpson, nous avons une centrale de chauffage pour l'école et les hôtels, un système d'égoût et d'eau, nous faisons tout l'entretien des locaux du gouvernement, de l'école et des hôtels. La centrale n'est qu'une petite partie des services que nous fournissons à Fort Simpson. Comme je l'ai dit nous avons quatre opérations différentes.

M. MacDonald: Nous avons une comptabilité séparée pour chaque opération.

M. Nielsen: Vous voulez dire que la CENC s'occupe du chauffage de l'hôtel à la place du personnel du ministère?

M. Humphrys: Exact.

M. Nielsen: Est-ce l'habitude?

M. Humphrys: Nous faisons ceci à plusieurs endroits. C'est pourquoi notre personnel se trouve à Inuvik. Nous avons un système de chauffage central qui dessert la majorité de la communauté. A Fort Simpson il y a un système de chauffage central qui dessert les écoles et les hôtels. A Fort MacPherson aussi. A Frobisher Bay aussi. A Moose Factory aussi.

M. Nielsen: Ma question est celle-ci: Est-ce que le ministère ou le C.E.N.C., je ne sais pas très bien, désire prendre en main le chauffage

[*Text*]

up here—to take over the operation of the heating plants, for instance, of the two hostels in Whitehorse and other such installations?

Mr. MacDonald: No.

Mr. Nielsen: Is it not more logical to have the departmental people doing this than NCPC people?

Mr. MacDonald: Where, at Inuvik?

Mr. Nielsen: In any of these places.

Mr. MacDonald: No. It is quite a sensible arrangement when you have an organization such as NCPC, which is in the business of maintenance and handling power plant, to take on, as agent—just as any private enterprise frequently undertakes—a contract service for the carrying out of certain specific jobs.

Mr. Nielsen: I submit though to members of the Committee, through you, Mr. Chairman, that what this is doing is increasing the cost of electricity to the consumer. And what we in the Yukon are even more concerned about—I am sorry I cannot get the separation domestically because of the explanations given by Mr. Humphrys—is the comparatively greater trend in the Yukon with respect to user. I contend, because of the figures shown on the last balance sheet of the Commission, that the users in the Uukon are paying, in effect, for what should not be but is an equalization of rates throughout the North—which I think is a very bad and very uneconomic thing for us, at any rate.

Mr. MacDonald: I am not sure just how that happens.

Mr. Nielsen: For instance, we are paying in the $130,000 worth of profit. Let us call it that and not call it a surplus as it was called in Appendix A with respect to $5,100. In effect, it is a profit.

Mr. MacDonald: A contingency fund.

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Mr. Nielsen: We do not have a contingency fund according to the evidence that was produced last fall.

Mr. MacDonald: Yes, we do.

Mr. Nielsen: But what is happening is that these profits are being used to pay the wages of somebody looking after a boiler at Fort Simpson.

Mr. MacDonald: I am sorry, Mr. Nielsen, that is not correct. I will give you the assur-

[*Interpretation*]

des deux hôtels de Whitehorse et autres installations?

M. MacDonald: Non.

M. Nielsen: Est-ce qu'il ne serait pas plus logique que le personnel du ministère s'en occupe plutôt que le personnel de la CENC?

M. MacDonald: Où, à Inuvik?

M. Nielsen: N'importe où.

M. MacDonald: Non. A Inuvik, c'est très raisonnable, puisque la Commission agit à titre d'agent pour l'entretien et la gestion de la centrale, elle pourrait comme une entreprise privée souscrire des contrats pour certains travaux.

M. Nielsen: Les membres du Comité voudront prendre en considération que ceci augmente les tarifs de l'électricité payé par le consommateur. Ce qui nous inquiète, et c'est dommage que ne puisse avoir la ventilation des chiffres de frais d'électricité au consommateur c'est que les utilisateurs du Yukon paient pour une péréquation des taux dans tout le Nord. Il me semble que ce n'est pas du tout logique économiquement.

M. MacDonald: Je ne sais pas au juste ce que vous voulez dire.

M. Nielsen: Par exemple, nous payons $130,000.00 de bénéfices. Appelons-le ainsi plutôt que l'appeler un excédent comme on l'a dénommé dans l'appendice «A» excédent de $5,100; en effet c'est un bénéfice.

M. MacDonald: Un fonds de contingentement.

M. Nielsen: Nous n'avons pas de fonds de contingentement comme le prouve les chiffres fournis l'automne dernier.

M. MacDonald: Si, nous en avons un.

M. Nielsen: Mais, ce qui arrive, c'est que ces bénéfices sont utilisés pour payer les gages du personnel qui s'occupe de la chaudière à Fort Simpson.

M. MacDonald: Je m'excuse M. Nielsen, c'est inexact ces dispositions sont vérifiées et

[*Texte*]

ance that these arrangements are meticulously costed and if the Committee wants to look at a sample cost allocation on our books this can easily be done. Let me give you the straight assurance that what you suggest does not, in fact, occur. The power costs are segregated. People are allocated, overhead is allocated, just as it is done in any multi-activity of any large corporation, and if you wish to examine the cost accounting we will allow you to do so.

Mr. Nielsen: Mr. MacDonald, I may be uneducated in this respect but I do not know of any other power company that hires personnel to look after heating plants in hostels and to do what apparently is a very wide range of functions unconnected, really, with the generation and distribution of power, which NCPC is doing.

Mr. MacDonald: They are not quite as unrelated as might seem to be when you use it that way. What we are talking about are the skills and capacities needed for the maintenance of large plants in an area where these skills are very scarce, namely the North, because of the lack of density of the population. In one case it might be a diesel or steam generation or a hydro plant, in another it is steam generation for heating, and at Inuvik it is allied to water and sewer services because, you know, the utilidor concept relates to heating and the other two.

It was a policy decision on the part of the Department and of the territorial government now that the most effective way of coping with this problem was to have the Northern Canada Power Commission act as the agent of the Department or the territorial government to carry out this function—because in that northern country they happen to have a very high proportion of the kind of skills that are required for this sort of job. But in so doing it, the cost accounting is very carefully allocated and available for scrutiny.

Mr. Nielsen: Why do it at all? Why does the Department not do it, as they do in the Yukon?

Mr. MacDonald: Because it would certainly be my judgment as the Deputy Minister that the Northern Canada Power Commission have more skills at doing this.

Mr. Nielsen: Well then, one must again—we have gone full circle—come to the conclusion that the Department intends to do it in the Yukon as well because they are more skillful.

[*Interprétation*]

si le Comité veut examiner nos comptes, je vous les passerai. Mais, disons clairement que ce que vous suggérez ne se passe pas. Les coûts de l'énergie sont indiqués très exactement par secteurs. Le personnel, les frais généraux, sont calculés par secteurs ainsi que dans toutes grandes sociétés qui s'occupent de plusieurs services et si vous voulez vérifier vous pouvez.

M. Nielsen: M. MacDonald, je ne suis peut-être pas suffisamment renseigné, mais je ne connais pas d'autres cas de société hydro-électrique qui s'occupe du chauffage central et autres services de ce genre, qui ait une variété de fonctions aussi différentes que celles de la CENC.

M. MacDonald: Ce n'est peut-être pas aussi éloigné l'un de l'autre que vous semblez l'idiquer. Ce dont nous parlons c'est du personnel qualifié requis pour l'entretien de grandes usines, dans une région où le personnel qualifié est très rare; à savoir le Nord parce que la population n'est pas suffisamment dense, cela peut être une centrale électrique une autre fois une centrale de chaffage et comme à Inuvik alliée à un service d'eau et d'égouts.

En fait, disons que le ministère et le gouvernement territorial avaient admis que la meilleure façon de procéder, était de se servir de la Commission de l'énergie du Nord canadien comme agent du ministère ou du gouvernement territorial pour remplir ce rôle parce que dans cette partie du pays il est nécessaire de pouvoir compter sur un nombre de gens qualifiés pour effectuer ce genre de travail. Les coûts sont bien départagés et peuvent être facilement vérifiés.

M. Nielsen: Mais pourquoi le faites-vous? Pourquoi le ministère ne le ferait-il pas, comme au Yukon?

M. MacDonald: Parce que je pense que la Commission a plus de moyens de le faire que nous.

M. Nielsen: On tourne en rond. Il faudrait conclure que le ministère entend faire de même au Yukon parce qu'il est plus habile en ce domaine.

[*Text*]

Mr. MacDonald: No. In Whitehorse you have what is developing as a fairly large urban area, a concentration of population.

Mr. Nielsen: It has always been done this way in Whitehorse, Mr. MacDonald, as you know. NCPC has never done this in Whitehorse since 1948.

Mr. Humphrys: There is one point that should be recognized in this, Mr. Nielsen, in that at Fort Simpson it is a separate heating plant that supplies three different large structures. It is not like the hostels at Whitehorse that have a built-in heating plant. At Fort Smith, for example, they have a hostel and school with a built-in heating plant and that is operated by its own staff. It is only where there are these separate power plant structures.

Mr. Nielsen: Well, Mr. Chairman, I merely wanted to expose that area for the Committee members. I have my own feelings on it. I have one last question, and it has to deal with surplus power, particularly at Whitehorse. I think I know now what Mr. Humphrys was talking about, at least Mr. Humphrys, when he spoke of surplus power at our last meetings.

Surplus power appears to be power available in the Yukon operations only to the Department of National Health and Welfare for the operation of their electric boilers. Is there anything wrong with the policy of including that surplus power, as is the practice in utilities elsewhere, in the availability to the distributor for the purposes of enabling the distributor to sell potential industrial users this power at off-peak times so as to encourage industrial development and the establishment of industrial plants? These are springing up in various areas, as Mr. MacDonald knows. If you made that surplus power available, would that not encourage industrial development? And on the other hand, if you do not make it available, is it not an element which discourages industrial development?

Mr. Humphrys: Surplus power of this nature must be withdrawable if it is to be sold at a low rate. In the case of Whitehorse, the surplus power that is sold to the National Health and Welfare hospital is supplied at a rate that is competitive with the cost of burning oil in an oil-fired boiler for heat, and this power must be withdrawable on demand when it is required to meet the prime load of the system. It must be handled in a fairly blocky chunk so that you can take it back at a moment's notice.

[*Interpretation*]

M. MacDonald: Non. A Whitehorse la concentration de la population devient de plus en plus importante.

M. Nielsen: Les choses se sont toujours déroulées ainsi à Whitehorse, comme vous le savez sans doute. La CENC n'a pas agi ainsi à Whitehorse depuis 1948.

M. Humphrys: Vous devez remarquer monsieur Nielsen qu'à Fort Simpson ce n'est pas la même chose puisqu'une usine séparée de chauffage alimente trois édifices différents. Ce n'est pas la même chose qu'à Whitehorse où le système de chauffage est incorporé à l'hôtellerie. A Fort Smith, par exemple, il y a une hôtellerie et une école et le système de chauffage construit à même tombe sous leur propre responsabilité.

M. Nielsen: Je voulais seulement soulever cet aspect, monsieur le président, pour le bénéfice des autres membres du Comité. Personnellement mon opinion est déjà arrêtée. Maintenant une dernière question concernant l'énergie de surplus, pricipalement à Whitehorse. Je vois maintenant ce que M. Humphrys voulait dire lorsqu'il parlait d'excédent d'énergie.

L'excédent d'énergie semble être l'énergie disponible uniquement pour le ministère de la Santé nationale et du Bien-être social, pour ses chaudières électriques. Est-ce que il serait mauvais de faire entrer cet excédent d'énergie, comme c'est le cas ailleurs, dans les quantités disponibles pour les distributeurs, afin de permettre aux distributeurs, de vendre cette énergie à des utilisateurs éventuels lorsque la demande n'est pas élevée, afin d'encourager le développement industriel et l'implantation de nouvelles industries? Si on mettait cette énergie à la disposition des distributeurs, est-ce que cela n'aiderait pas au développement de la région? Dans le cas contraire, est-ce qu'il ne s'agit pas d'un élément propre à décourager les éventuels investisseurs?

M. Humphrys: Pour que cet excédent d'énergie puisse être vendu à prix réduit il faut qu'il puisse être retiré. A Whitehorse, l'excédent d'énergie vendu au ministère de la Santé l'est à un prix qui concurrence le prix qu'il en coûterait pour utiliser une chaudière à l'huile et de plus, cette énergie doit pouvoir être retirée sur demande. Il doit s'agir également d'une quantité importante d'énergie pour qu'elle puisse être retirée à un moment d'avis.

[*Texte*]

Mr. Nielsen: Okay Mr. Humphrys. If that is logical, then it is just as logical to say that if the oil-fired boilers go on the fritz, power that was surplus before the oil-fired boilers went on the fritz now becomes demand power and therefore users should pay demand prices for it and not surplus prices. Is that is the nature of logic you are applying?

Mr. Humphrys: If that were a continuing proposition, yes.

Mr. Nielsen: This is not what is happening.

Mr. Humphrys: No.

The Chairman: Mr. Kaplan.

Mr. Kaplan: Thank you, Mr. Chairman. I would like to continue in the area Mr. Nielsen

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was investigating before he turned to the surplus power question, which I confess I do not entirely understand. Mr. Nielsen indicated that he exosed an area where there was some irregularity in the practice of the NCPC, but it struck me, listening to the evidence, that he had exposed an area in which it was clearly demonstrated that the NCPC served a function that private industry perhaps could not serve. I would like to explore that for a moment.

You indicated that the personnel of the NCPC are available to do other important services in the community where they have technical skill. Are extra people hired for that purpose? Or is it a matter of personnel who you require who have some unused capacity in their workday, and to make an efficient utilization of their services you take on extra jobs for them?

Mr. MacDonald: Primarily it is the economies that could be achieved by grouping them in one body of employees who can be deployed effectively against a variety of tasks.

Mr. Kaplan: I see. And Mr. Nielsen has indicated that no private power company would ever do that, which demonstrates to me that in the area you have described anyway there is a good role for a public power company.

Mr. MacDonald: We would feel that if the Northern Canada Power Commission had not been available to take on these responsibilities, we might have been rather hard pressed.

Mr. Kaplan: And that the costs of that community's economic life would be higher, I suppose, because there would be another person there doing that job and some unused capacity in the system.

[*Interprétation*]

M. Nielsen: Bon, très bien. Si ce que vous venez de dire est logique, il est aussi logique de dire que lorsque les chaudières à l'huile font défaut, cette énergie qui était excédentaire jusqu'alors devient nécessaire et ceux qui la désirent devraient payer en conséquence. Est-ce la logique que vous appliquez?

M. Humphrys: S'il s'agissait d'une situation permanente, oui.

M. Nielsen: Ce n'est pas ce qui se produit.

M. Humphrys: Non.

Le président: Monsieur Kaplan.

M. Kaplan: Merci, monsieur le président. J'aimerais continuer dans le domaine qu'a soulevé M. Nielsen avant de passer à la question de l'excédent d'énergie. Ça j'avoue que je n'y connais pas grand chose. Il a parlé d'irrégularité dans les pratiques de la CENC mais il semble qu'il a été démontré, en même temps, que la Commission joue un rôle que l'industrie privée ne pourrait peut-être pas jouer. Vous avez dit que le personnel de la CENC est chargé de certaines autres tâches, là où il se trouve, lorsqu'il le peut. Embauchez-vous plus de personnel à cette seule fin? Ou s'agit-il de personnel dont vous avez besoin, qui peut avoir certains moments de libres et à qui vous confiez d'autres tâches afin de mieux utiliser leurs capacités?

M. MacDonald: Nous songeons d'abord aux économies qui peuvent être effectuées en réunissant ces personnes en un seul groupe et en leur confiant divers tâches.

M. Kaplan: Monsieur Nielsen a dit qu'aucune société privée ne le ferait, ce qui veut dire que dans cette région, il y a place pour une société publique d'électricité.

M. MacDonald: Si la CENC n'avait pas été là pour assumer ces responsabilités, la situation aurait pu être plus critique.

M. Kaplan: Et le coût de la vie économique de cette agglomération aurait été plus élevé, je suppose, parce qu'il aurait fallu recourir aux services d'une autre personne pour effectuer ce travail alors que certaines capacités demeuraient inutilisées.

[*Text*]

Mr. MacDonald: I think that would follow, yes.

Mr. Kaplan: Well then, let me move on to a more general area for a moment. I am far from an expert in any of these questions. I have only begun to think about the North very recently, but it strikes me that one of the great differences between private and public power is that public power should be prepared to operate for purposes other than a profit, and that you do not consider the necessity of making a profit when you decide to go into an area to perform your service. You consider other objectives.

Mr. MacDonald: We think the primary objective is the economic development of the North at the most rapid rate possible, for economic and social reasons.

Mr. Kaplan: I see. When you set your rates in areas where you feel you can perform a service that private industry cannot provide, do you set it to earn a profit?

Mr. MacDonald: No.

Mr. Kaplan: Do you set it either to break even, or to provide at a loss a service at a rate that people can afford to pay?

Mr. MacDonald: We try to hit it at the break-even point, although it might be at a deficit in some years. We have to average it out, and that is why we develop a small surplus at times.

Mr. Kaplan: What do you do with those surpluses? Do you recompute them into the rate as a subsidy for the users at some subsequent period?

Mr. MacDonald: They are used. They have to be, under our statute, confined to that particular project, and if we accumulate a surplus it has to be re-invested in the capital upkeep or repair or replacement of equipment, or rate stabilization.

Mr. Kaplan: Well, is not this question of whether or not you pay income tax really a red herring? If you were subject to the Income Tax Act, there would in fact be no profit on which to pay taxes because you do not organize your rates to produce profit.

Mr. MacDonald: There is no profit.

[*Interpretation*]

M. MacDonald: Je le crois.

M. Kaplan: Bon, alors passons maintenant à un domaine plus général, pendant un instant. Je suis loin d'être expert en la matière. Je n'ai commencé à m'intéresser au Nord que récemment, et ce qui me frappe c'est que l'une des grandes différences entre les Sociétés privées et les sociétés publiques en matière d'électricité, c'est que la société publique serait prête à ne pas réaliser de bénéfices, et que vous ne pensez pas aux profits, aux bénéfices lorsque vous allez, dans une région donnée, offrir vos services. Vous avez d'autres objectifs à l'esprit.

M. MacDonald: Notre premier objectif c'est le développement économique du Nord, au rythme le plus rapide possible, pour des raisons économiques et des raisons sociales ...

M. Kaplan: Lorsque vous fixez vos tarifs dans une région où vous pensez que vous pouvez rendre un service que ne peut pas rendre l'industrie privée, est-ce que vous fixez votre tarif pour réaliser un bénéfice?

M. MacDonald: Non.

M. Kaplan: Est-ce que vous le fixez de façon à joindre les deux bouts ou si vous songez plutôt à offrir un service, même à perte, à un taux que peut aborder la population?

M. MacDonald: Nous essayons en général d'équilibrer les choses, bien que parfois, il y ait un déficit. Il nous faut tenter d'en arriver à une moyenne, c'est pourquoi nous réalisons certains profits, à l'occasion.

M. Kaplan: Que faites-vous de ces surplus? Est-ce que vous en faites bénéficier les clients?

M. MacDonald: D'après nos statuts, il nous faut utiliser ce surplus sur place. Il peut être réinvesti, ou être utilisé pour l'entretien ou le remplacement de l'équipement, ou pour stabiliser les taux.

M. Kaplan: Est-ce que cette question relative au fait que vous devriez ou non payer des impôts n'est pas tout simplement superflue? Si vous étiez assujettie à la *Loi de l'impôt sur le revenu* vous n'auriez aucun profit à déclarer sur lequel payer des impôts puisque vous ne vous organisez pas pour réaliser de profits.

M. MacDonald: Il n'y a pas de profit.

[*Texte*]

Mr. Kaplan: So that you are not taking away. In a sense you are not taking away...

Mr. MacDonald: It is not a factor that enters into cost.

Mr. Kaplan: That is right, so that whether or not you have to pay income tax does not really bear on whether or not...

Mr. MacDonald: It would not affect the rate structure.

Mr. Kaplan: I see. There is an indication that there might be some other facilities or advantages that you receive for which you do not pay, the use of some departmental services or the failure to depreciate your equipment that is owned by the department, or items of that nature. I cannot see how that injures the people to whom you render your service.

Mr. MacDonald: No. In those situations where that applies we are dealing with a very small consumption load and therefore a very high cost area. These failures to depreciate and to charge in effect ameliorate what would otherwise be a most difficult high-cost situation.

Mr. Kaplan: I see. One of Mr. Nielsen's other observations was that you had a num-

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ber of big customers with whom you did not have written agreements. Are these customers asking for written agreements?

Mr. Humphrys: Not at the present time.

Mr. Nielsen: Surely your are not saying that Yukon Electric has never asked for an agreement.

Mr. Humphrys: They have made inquiries for an agreement, yes, and this has been under discussion. I was thinking of direct customers of mining companies and so on.

Mr. Kaplan: Written agreement swith some of your customers but not with others, is that the point?

Mr. Humphrys: Yes, that is right.

Mr. MacDonald: But as I mentioned earlier, these usually arise in connection with our having to undertake large capital expenditures. We want commitments with respect to consumption, naturally.

Mr. Kaplan: That brings me, Mr. Chairman, to the last subject I would like to take up and it is in a sense a subject on the other

[*Interprétation*]

M. Kaplan: En d'autres mots, vous ne...

M. MacDonald: Ce facteur n'entre pas dans le coût de revient.

M. Kaplan: Donc, le fait que vous ne payiez pas d'impôts, n'a absolument rien à voir...

M. MacDonald: Ca ne change rien à la structure de nos taux.

M. Kaplan: Je vois. En outre, on a indiqué qu'il y aurait peut-être d'autres facilités ou avantages dont vous bénéficiez gratuitement, par exemple, l'utilisation de certains services du ministère, ou la non-dépréciation d'un matériel qui appartient au ministère, etc. Je ne vois pas en quoi cela peut nuire à ceux à qui vous rendez ces services.

M. MacDonald: Non. Dans les cas où cela s'applique, la consommation est minime et, par conséquent, les coûts élevés. En fait, cette façon d'agir améliore une situation qui risque, autrement, d'être peu intéressante.

M. Kaplan: Monsieur Nielsen a également noté le fait que vous avez certains gros clients avec lesquels vous n'avez passé aucune entente écrite. Est-ce qu'ils ne réclament pas d'entente écrite?

M. Humphrys: Non. Pas en ce moment.

M. Nielsen: Vous ne pouvez pas dire que la *Yukon Electrical Company* n'a jamais demandé à signer un contrat avec vous.

M. Humphrys: Oui, cela a été demandé, mais c'est à l'étude. Je songeais plutôt à des clients directs.

M. Kaplan: Autrement dit, il y a des contrats avec certains et pas avec d'autres, c'est ça?

M. Humphrys: Oui, c'est ça.

M. MacDonald: Comme je l'ai dit précédemment, ces situations surviennent lorsqu'il nous faut investir de fortes sommes d'argent. Il est évident que nous désirons qu'on s'engage à nous acheter telle ou telle quantité d'électricité.

M. Kaplan: Donc, monsieur le président, cela m'amène à la dernière question que je voudrais soulever parce que vous avez men-

[*Text*]

side, because you indicated that the cost of capital in your operation was less than the cost of capital to private industry and I disagree with that. I think it has historically been true that governments have been able to raise money cheaper, if you like, than the private sector, but I do not think that is true any longer.

I think private enterprise has alternative methods of raising money to borrowing on the market. A Company like Yukon Electric, for example, has retained earnings; it has the option of offering stock to shareholders; it can offer warrants, conversion rights on bonds and all kinds of things that the government cannot do.

When the government wants to raise money has to impose taxes or has to borrow it. I think the rate that the government pays is probably higher than the effective rate that you would find industry "paying" for the capital it uses because it has, as I have indicated, all manner of other ways of obtaining capital that are not available to the government. Would you comment on that?

Mr. MacDonald: With respect, I still say that cost to borrow to the government is the lowest form of borrowing of anybody.

Mr. Kaplan: Yes, if you restrict it to borrowing, but I say that...

Mr. MacDonald: Even allowing for the alternative means of borrowing that you describe, with special comment on the subject of retained earnings, obviously if an entity is able to generate sufficient earnings to avoid having to borrow, its theoretical cost at borrowing is, therefore, zero but, in fact, that is not the true cost of borrowing. You must always take it in terms of opportunity cost, and opportunity cost is what you could lend that money to somebody else for.

Therefore, the cost is going to be an equation of the ordinary capital cost of borrowing elsewhere, and I come back full circle to my point that they have to borrow at a cost higher than that for which the federal government can borrow.

Mr. Kaplan: In that case let me deal not with the argument about the cost of capital, but just the availability of capital. I think there may be a limit to the amount of money that it is desirable for a government to borrow in an

[*Interpretation*]

tionné que les frais d'immobilisation dans le cas de votre exploitation étaient inférieurs aux frais d'immobilisation de l'industrie privée et je ne suis pas d'accord avec cela. Je pense qu'historiquement il est vrai que les gouvernements ont pu réunir des fonds à meilleur compte, si vous voulez, que ne pouvait le faire le secteur privé mais je crois que ce n'est plus le cas maintenant. Je pense que l'entreprise privée a d'autres moyens de réunir des fonds que de l'emprunter sur le marché. Une compagnie comme la Yukon Electric, par exemple, a des bénéfices non distribués; elle a le choix d'offrir des dividendes en actions aux actionnaires; elle peut offrir des coupons de dividendes, des droits de conversion d'actions, et faire nombre de choses que le gouvernement ne peut pas faire.

Quand le gouvernement a besoin de fonds il doit lever des impôts ou emprunter. Je crois que le taux que le gouvernement paye est probablement plus élevé que le taux régnant payé par l'industrie pour le capital dont il se sert parce qu'elle dispose comme je l'ai indiqué, toutes sortes d'autres moyens qui ne sont pas à la disposition du gouvernement de se procurer des capitaux. Auriez-vous quelque chose à dire à ce sujet?

M. MacDonald: Avec tout le respect que je vous dois, je maintiens que le coût de l'argent pour le gouvernement est moins élevé que pour tout autre emprunteur...

M. Kaplan: Oui, si vous vous en tenez à l'emprunt, mais ce que je dis...

M. MacDonald: Même en concédant les autres moyens d'emprunt que vous avez mentionnés, avec une remarque particulière au sujet des bénéfices non distribués, il est évident que si une entreprise est en mesure de produire des bénéfices suffisants, les frais d'emprunt sont théoriquement inexistants, mais en réalité, cela ne représente pas les frais véritables de l'emprunt. Vous devez toujours calculer en termes des occasions qui vous seraient offertes, c'est-à-dire de ce que vous pourriez réaliser en prêtant l'argent à un autre.

Le coût sera donc une équation du prix de revient initial et ordinaire d'un emprunt fait ailleurs et je fais un tour complet pour revenir au point que j'avance, que l'entreprise privée doit emprunter à un coût plus élevé que celui qui est accessible au gouvernement fédéral.

M. Kaplan: Bon, alors je voudrais discuter maintenant non pas sur le coût de l'argent, mais plutôt sur la disponibilité des capitaux. Je pense qu'il y a des limites à la quantité d'argent optimale qu'un gouvernement peut

[*Texte*]

economy. Am I taking you out of an area of your competence and...

Mr. MacDonald: No, no; it is an area I would love to go into but I do not know whether that is...

Mr. Kaplan: Many people in Canada feel that the government is too much in the borrowing market and that we ought not to go into the market to borrow money for projects that private enterprise can take on at a cost only marginally different.

Mr. MacDonald: That becomes a social and political judgment in society today. There is nothing intrinsically true economically about that proposition. That is a matter for judgment by Parliament, by people, by electorates, and so on, but there is nothing intrinsically so in economic terms.

Theoretically they put it this way; the Government of Canada, let us say, if it were the only government could do all the borrowing in the country and that would have very little significance economically. It is all a matter of what kind of country it is, that is all.

Mr. Kaplan: I see, thank you.

The Chairman: Mr. Smerchanski?

Mr. Smerchanski: At Inuvik you have a diesel steam generating unit, and then you have a steam generating unit to go into the electrical generator. Is that right?

Mr. Humphrys: At Inuvik the power is generated primarily by diesel, but we do have one steam turbine that is what is called a back pressure turbine, in that the steam is passed through the turbine to operate it to make electricity and then the exhaust from the turbine goes into the central heating system.

Mr. Smerchanski: At Frobisher Bay you have direct diesel electrical combinations; is that it?

Mr. Humphrys: All the generation is by diesel electric, although Frobisher Bay does have steam boilers for the heating purposes too.

Mr. Smerchanski: Then, Mr. Chairman, in those two places with similar conditions more or less on the basis of capacity, and so forth, why in one instance is there a total cost of 4.6 as against 6.75 at Frobisher which is a differ-

[*Interprétation*]

emprunter dans les cadres de son économie. Est-ce que je m'éloigne du champ de votre compétence?

M. MacDonald: Non, non, c'est un domaine dans lequel j'aimerais beaucoup m'engager mais je ne sais pas si cela...

M. Kaplan: Beaucoup de gens au Canada pensent que le gouvernement figure trop souvent sur le marché des emprunts, et que le gouvernement ne devrait pas s'occuper d'emprunter d'argent sur le marché des emprunts pour des projets que l'entreprise privée pourrait entreprendre à un coût qui serait seulement légèrement différent.

M. MacDonald: Cela devient un jugement social et politique de la société aujourd'hui. Il n'y a rien d'intrinsèquement vrai du point de vue économique dans cette affirmation. C'est une question qui doit être jugée par le Parlement, par la population, par l'électorat et ainsi de suite. Mais au plan économique cela ne correspond à absolument rien. En théorie les gens font l'exposé suivant: le gouvernement du Cnaada, à supposer qu'il soit le seul gouvernement, pourrait contracter tous les emprunts au pays, et, en termes économiques, ce procédé aurait très peu de signification. Tout dépend de la sorte de pays qui est en cause. C'est tout...

M. Kaplan: Je vois. Merci.

Le président: M. Smerchanski.

M. Smerchanski: Une courte question. A Inuvik vous avez une génératrice de vapeur qui doit faire partie d'un générateur électrique, n'est-ce pas?

M. Humphrys: Bien, disons qu'à Inuvik l'énergie est produite principalement par diesel, mais nous avons une turbine à vapeur, c'est ce qui s'appelle une turbine à contre-vapeur, du fait que la vapeur passe par la turbine pour lui faire produire de l'électricité et ensuite l'échappement de la turbine s'en va dans le système de chauffage central.

M. Smerchanski: Et à Frobisher Bay, vous avez un ensemble direct diesel-électricité, n'est-ce pas?

M. Humphrys: C'est ça, oui. A Frobisher Bay toute la génération se fait par diesel-électricité, bien que Frobisher Bay n'ait pas de chaudières à vapeur pour le chauffage.

M. Smerchanski: Alors, monsieur le président, comment se fait-il que dans ces deux endroits qui sont pourvus d'installations plus ou moins semblables pour ce qui est de la capacité et ainsi de suite, dans un cas vous

[*Text*]

ence of close to 50 per cent? Is there a suggestion there that possibly at Inuvik the other shared costs or contract services carry part of this capital cost?

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Mr. Humphrys: They help a little bit. This is one factor that helps to carry some of the cost. There are other factors; the cost of wages is higher at Frobisher. Frobisher is a higher-cost area to operate in than Inuvik and the cost of fuel is appreciably lower at Inuvik than at Frobisher Bay.

Mr. MacDonald: At Inuvik we benefit enormously from Norman Wells that Mr. Gundlock was talking about earlier.

Mr. Smerchanski: In both places, though, the fuel cost is only one cent a gallon.

Mr. Humphrys: Well, it is 1.12 cents at Inuvik and 1.6 cents at Frobisher Bay.

Mr. Smerchanski: Unless I am reading incorrectly, I have here that the fuel cost at Inuvik is 17 cents a gallon as against 18 cents per gallon at Frobisher.

Mr. Humphrys: I am sorry; I was giving you figures per kilowatt hour.

Mr. Smerchanski: There is only one cent a gallon difference in fuel cost, which only amounts to one-twentieth, whereas your increase in cost between the two places in your final total cost is close to 50 per cent.

Mr. Humphrys: Well, fuel is only one factor. If you are looking at it on a breakdown per kilowatt hour basis per power generator in those two plants, at Inuvik the plant, staff, wages and benefits amounts to 1.75 cents per kilowatt hour whereas at Frobisher Bay it is 2.6 cents; fuel is 1.12 versus 1.6; capital charges is just under one cent, .96 versus 1.76; maintenance costs are higher at Inuvik, last year they were. .41 cents versus .27; miscellaneous charges were .24 versus .16; administration overhead expense worked out to .12 at Inuvik and .36 at Frobisher. That is a reflection of some of the benefits of the other work that we do.

Mr. Smerchanski: Mr. Chairman, would you say that this is because of your contract service or shared cost basis, that you are giving other services in Inuvik which you are implying carry part of the cost of the electrical service?

[*Interpretation*]

avez un coût total de 4.6 en regard de 6.75 à Frobisher. Devons-nous déduire qu'il est possible que dans le cas de Inuvik les autres frais partagés défraient une partie du prix de revient?

M. Humphrys: Bien, disons qu'ils aident un peu. C'est là un facteur qui aide à défrayer une partie du coût. Il y a d'autres facteurs. Les salaires sont plus élevés à Frobisher. C'est une région où les frais d'exploitation sont plus coûteux qu'à Inuvik et le prix du carburant est sensiblement plus bas à Inuvik qu'il ne l'est à Frobisher.

M. MacDonald: Ah oui, à Inuvik nous bénéficions énormément des Norman Wells que M. Gundlock a déjà mentionnés.

M. Smerchanski: Aux deux endroits toutefois, le prix du carburant est seulement d'un cent le gallon.

M. Humphrys: C'est 1.12 cents à Inuvik et 1.6 cents à Frobisher Bay.

M. Smerchanski: Eh bien, à moins que je ne me trompe, le coût véritable que j'ai ici pour Inuvik est 17 cents le gallon contre 18 cents à Frobisher Bay.

M. Humphrys: Je m'excuse. Les chiffres que je vous ai donnés étaient pour un kilowatt-heure.

M. Smerchanski: Il n'y a qu'une différence d'un cent par gallon ce qui ne représente que 20 p. 100 alors que votre augmentation des frais entre les deux endroits dans votre coût total définitif est d'environ 50 p. 100.

M. Humphrys: En fait, le carburant n'est qu'un facteur. Si on étudie le détail, on s'aperçoit qu'à Inuvik le coût du salaire représente $1\frac{3}{4}$ cent alors que c'est 2 6/10 cents à Frobisher Bay, le carburant 1.2 contre 1.6, les capitaux coûtent un peu moins de 1 cent, 9.6 contre 1.76; l'entretien est plus élevé à Inuvik; l'an dernier c'était 4.1 contre 2.7; les frais divers: .24 contre .16; les frais généraux étaient .12 à Inuvik et .36 à Frobisher. Voilà une réflexion de quelques-uns des bénéfices émanant du travail que nous faisons.

M. Smerchanski: Eh bien, monsieur le président, diriez-vous que cela dépend de votre service par contrat ou des frais partagés si vous assurez d'autres services à Inuvik qui, comme vous le laissez entendre, défraient une partie du coût du service d'électricité.

[*Texte*]

Mr. MacDonald: There are efficiencies to be gained when you can combine an operation; the sharing of overhead and some other factors such as a more effective deployment of staff.

Mr. Smerchanski: Let me ask you this: Are the costs of these contract services, or shared services, competitive? I have no way of knowing, but are they competitive with what free enterprise would give you on a contract basis under similar conditions?

Mr. Humphrys: I would say they are less than that because they are done at cost. There is no profit motive in it; we charge the actual labour cost.

Mr. Smerchanski: Including the proper amortization, maintenance, depreciation, and so forth?

Mr. Humphrys: It is essentially a labour cost item and we charge the true cost of the labour.

Mr. Smerchanski: But would the capital charges that you show distributed here be taken in on your contract service or shared service?

Mr. Humphrys: That capital charge is in respect of the generating plant, the power plant only.

Mr. Smerchanski: Yes, I appreciate that, but concerning your shared costs for the contract services, have you made capital allowance costs in your cost of operation?

Mr. Humphrys: Not in the contract operation because there is no capital involved; it is purely a labour and material purchase.

Mr. Smerchanski: Am I to understand, then, that you charge the entire capital cost of the plant installation to the electrical facility?

Mr. Humphrys: That is right. In the case of...

Mr. MacDonald: Only for the electrical plant. There is no depreciation on the Utilidor system or central heating or sewage plants. That is not depreciated.

Mr. Smerchanski: No, Mr. Chairman, but it makes a very big difference in cost. In the electrical facility you have a capital cost in terms of your total cost of operation. Part of

[*Interprétation*]

M. MacDonald: On gagne en efficacité quand il est possible d'intégrer une exploitation; le partage des frais généraux et de certains autres facteurs comme une répartition plus efficace du personnel.

M. Smerchanski: Alors, je vais vous poser la question suivante: est-ce que les coûts de ces services par contrat ou services à frais partagés sont concurrentiels? Je n'ai aucun moyen de le savoir; sont-ils concurrentiels avec ce que l'entreprise privée pourrait offrir sous contrat dans des conditions semblables.

M. Humphrys: Je dirais que les coûts sont inférieurs parce que tout se fait au prix coûtant. Il n'y a pas de but lucratif; nous imputons le coût véritable de la main-d'œuvre.

M. Smerchanski: Compte tenu de l'amortissement approprié; l'entretien, la dépréciation etc.? Donc, c'est surtout un coût de main-d'œuvre?

M. Humphrys: C'est essentiellement une question de coût de la main-d'œuvre et nous imputons le coût véritable de la main-d'œuvre.

M. Smerchanski: Mais, les frais de capitaux dont vous indiquez la répartition ici seraient-ils imputés au service par contrat ou au service partagé?

M. Humphrys: Les frais de capitaux se rapportent à la centrale d'énergie, la centrale seulement.

M. Smerchanski: Oui, je le comprends mais pour ce qui est des frais partagés touchant les services par contrat avez-vous fait des déductions pour amortissement dans vos frais d'exploitation?

M. Humphrys: Non, pas dans le cas du contrat parce qu'il n'y a pas de capital engagé. Il s'agit simplement de payer la main-d'œuvre et les capitaux.

M. Smerchanski: Est-ce que je dois comprendre que, alors, que vous imputez tout le coût des capitaux de la centrale à l'installation électrique?

M. Humphrys: C'est exact. Seulement dans le cas de...

M. MacDonald: Seulement dans le cas de la centrale électrique. Il n'y a pas de dépréciation dans le cas du système Utilidor ou de la centrale de chauffage ou d'égouts.

M. Smerchanski: Non mais, monsieur le président, cela fait une énorme différence dans le prix de revient. Dans l'installation électrique vous avez un coût de capital au

[*Text*]

this capital plant is used for electrical generation and part of it is used for these contract services. Now, is the entire depreciation for this plant carried in as a cost towards the electrical generation?

Mr. Humphrys: Well, the entire cost of the electrical plant that is used for generation of electricity is capitalized; there is a capital expense for that, but in the case of the Inuvik plant, where the plant is a combined central heating and power generation plant, no capital charge is made for the central heating aspect, and this is not reflected in the rate charged for central heat in this particular operation.

Mr. Nielsen: But related to that, Mr. Humphrys, the $65,000 for the water pumping and distribution system in Dawson is included as capital in your last balance sheet as part of the electrical purchase of assets.

Mr. Humphrys: That is as it stood at the time it was purchased; it had not yet been distributed. The water system there is a complete contract operation.

Mr. Nielsen: Yes, but you are still costing it against the . . .

Mr. Humphrys: Not against the electrical part, no.

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Mr. Smerchanski: Then are you suggesting that in your contract service, or shared service cost, you are not making any allowance for the capital cost of your equipment—that service, that phase of the plant? Is that correct?

Mr. Humphrys: There is no capital equipment involved, Mr. Smerchanski, except in the case of vehicles and we do charge a vehicle rate.

Mr. Smerchanski: Let me come back, then. In other words, are you saying that the depreciation of the entire capital cost of this plant is charged against the electrical facility?

Mr. Humphrys: Only to the extent that the plant generates electricity.

Mr. MacDonald: Only that portion of the plant related to the generation of electricity is charged to the electrical rate.

[*Interpretation*]

niveau de votre coût total d'exploitation. Une partie de cette centrale essentielle sert à la production d'électricité et une autre partie sert à ces services par contrat. Est-ce que l'amortissement entier de cette centrale est imputé comme frais de génération d'électricité.

M. Humphrys: Eh bien, le coût entier de la centrale électrique qui sert à la production d'électricité est capitalisé; il y a une dépense de capital à cet effet, mais dans le cas de la centrale d'Inuvik qui est une centrale intégrée de chauffage central et de production d'énergie, il n'y a aucun frais de capital imputé au poste de la génération d'énergie, et ceci n'apparaît pas dans le tarif exigé pour le chauffage central dans cette exploitation particulière.

M. Nielsen: Mais, dans la même usine les 65 mille dollars, pour le pompage et le réseau de distribution de Dawson apparaît comme capital sur votre dernier bilan, comme faisant partie de l'achat d'actifs se rapportant à l'électricité.

M. Humphrys: C'était le cas au moment où ils ont été achetés; la répartition n'avait pas été faite. Le système d'eau est une exploitation faite entièrement par contrat.

M. Nielsen: Oui, mais vous en imputez encore le coût. . .

M. Humphrys: Non pas à la partie électrique, non.

M. Smerchanski: Alors vous dites que dans votre service par contrat, ou frais de service partagés, vous ne faites aucune déduction pour amortissement se rapportant à votre équipement qui dessert ce secteur de la centrale, n'est-ce pas?

M. Humphrys: Il n'y a pas d'équipement important d'engagé. M. Smerchanski, sauf dans le cas des véhicules, et nous demandons un tarif pour les véhicules.

M. Smerchanski: Permettez-moi de revenir. . . Vous voulez dire que le coût complet des biens d'équipement, l'amortissement complet de la centrale, est considéré comme un amortissement des installations électriques.

M. Humphrys: Dans la mesure seulement où l'usine fabrique de l'électricité.

M. MacDonald: Seulement cette partie de l'usine qui participe à la production d'électricité.

[*Texte*]

Mr. Smerchanski: Now what do you do with the capital depreciation of the other portion of the plant?

Mr. MacDonald: We do not.

Mr. Smerchanski: You do not put it anyplace.

Mr. MacDonald: Right.

Mr. Smerchanski: How do you work your costs? Do you just write it off as $1?

Mr. MacDonald: It is written off, it is absorbed in the accounts of the Government of Canada, where it was first charged.

Mr. Smerchanski: In other words, when it is initially charged it is taken as a government grant and then written off completely.

Mr. MacDonald: In that particular case, that was the history of it. The NCPC was asked to take it on as agent.

Mr. Smerchanski: Are you satisfied that the proportional capital cost allocation to the electrical generating facility at Inuvik was a proper one?

Mr. Humphrys: Yes, as nearly as we can possibly determine.

Mr. Smerchanski: Mr. Chairman, I cannot agree with this reason completely because, truly, when you have a 50 per cent differential in costs, when your oil costs are both the same with similar conditions, the question arises of why Frobisher is not at a lower cost. This is purely academic. I did not appreciate the difference in these two plant costs until it was brought in that there were contract services and shared cost services—and now of course I am more surprised to find that the capital cost of the contract service and shared service was not depreciated into the cost of operations.

The next question follows. Why do you not do the same thing with your capital cost of the electrical facilities?

Mr. MacDonald: Because the decision with respect to the heating portion of the plant and the water and sewage was a policy decision at the time and it was decided not to charge it in the rate because of the problem of the high cost of this facility. It was a policy decision.

Mr. Nielsen: Mr. MacDonald, I have one last question...

The Chairman: Mr. Simpson has indicated he has a question.

[*Interprétation*]

M. Smerchanski: Alors qu'est-ce que vous faites avec l'amortissement des capitaux de l'autre partie de l'usine?

M. MacDonald: Rien.

M. Smerchanski: Vous ne le mettez nulle part?

M. MacDonald: En effet.

M. Smerchanski: Alors, comment est-ce que vous fixez vos coûts? Vous les amortissez comme un dollar?

M. MacDonald: On les amortit; ils sont incorporés aux comptes du gouvernement canadien, où ils étaient d'abord imputés.

M. Smerchanski: Autrement dit, lorsqu'on le perçoit au début, c'est simplement une subvention du gouvernement, et ensuite, c'est terminé?

M. MacDonald: C'est ce qui s'est produit dans ce cas-ci. On a demandé à la C.E.N.C. de le faire.

M. Smerchanski: Êtes-vous certain que la part de l'allocation du coût des immobilisations revenant à l'installation électrique d'Inuvik était celle qui lui revenait vraiment?

M. Humphrys: Oui. Pour autant qu'il est possible de le déterminer.

M. Smerchanski: Monsieur le président, je ne suis absolument pas d'accord avec cet argument parce que, en fait, lorsque vous avez une différence de coût de 50 p. 100, alors que le pétrole coûte le même prix dans les mêmes conditions, la question se pose de savoir pourquoi il ne coûte pas moins cher à Frobisher Bay. C'est une discussion purement abstraite et théorique, mais je n'ai pas vu la différence qu'il y avait entre ces deux coûts avant qu'on les mentionne dans les services à frais partagés, et je m'aperçois alors qu'il n'y a pas eu d'amortissement de fait pour les services. Donc ma question est la suivante: pourquoi ne faites-vous pas la même chose avec le coût des immobilisations des installations électriques?

M. MacDonald: Parce que la décision portant sur le chauffage, l'eau et les égouts, était une question de politique qui était de ne pas prélever de tarifs, de ne pas le porter sur le tarif en raison du coût élevé de cette installation. Il s'agissait d'une décision de principes.

M. Nielsen: Monsieur MacDonald, j'ai une dernière question...

Le président: M. Simpson a indiqué qu'il avait une question à poser.

[*Text*]

Mr. Nielsen: ...and I promise I will not ask another one tonight.

If this is such a non-profit organization—and I will not even refer to the other instances in your last balance sheet—why do we see here on the first page of Appendix B a $5,178 surplus, as it is called?

Mr. MacDonald: Because, Mr. Nielsen—and I think you will find that across many of our areas—we are required to operate at cost in all instances and it is impossible to do this every single calendar or fiscal year. Now we may get a growth of load in an area—we talk of projection of our present structure—that will in fact produce a surplus, but we do not, for example, immediately lower rates because we may well have a concurrent trend which shows increasing costs. There is no point in reducing rates and then having to raise them within two years.

Mr. Nielsen: Yes, but it is a profit, is it not?

Mr. MacDonald: No.

Mr. Nielsen: What would private industry call it, a surplus or a profit?

Mr. MacDonald: No. A profit, you distribute; this, we cannot distribute. This can only go in two places.

Mr. Nielsen: Let us put it this way then: it is revenue over expenses.

Mr. Kaplan: May I ask a supplementary question?

Mr. Nielsen: More revenue than expenses.

Mr. MacDonald: I would more appropriately call it a contingency fund which, by statute, can only be applied to reinvestment in the capital in that area or used to avoid having to raise rates. We do this quite frequently now. We have two or three situations running right now where we have accumulated a surplus, we should be raising rates but we are using the surplus to avoid...

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Mr. Nielsen: But you said last fall that NCPC does not have a contingency fund.

Mr. MacDonald: Oh yes, we do.

Mr. Humphrys: We have a contingency fund for every plant except in some instances

[*Interpretation*]

M. Nielsen: .. je promets de ne pas en poser d'autres ce soir.

Si c'est véritablement une organisation sans but lucratif—je ne veux pas me reporter à votre dernier bilan—si c'est une organisation sans but lucratif, pourquoi est-ce que, à la première page de l'annexe B, nous voyons un excédent de $5,178?

M. MacDonald: Parce que, monsieur Nielsen, et vous verrez cela dans bien des cas, on nous demande d'exploiter au prix coûtant, et il est impossible de le faire avec précision pour chaque année civile ou financière. On peut peut-être avoir une augmentation de charges dans une région qui, d'après la projection de notre système actuel, nous permettra de fournir un service. On ne va pas immédiatement abaisser le tarif parce qu'il est alors possible de voir que, peut-être, il y aurait une augmentation des coûts. Il serait stupide de baisser le tarif, puis de le remonter dans les deux ans qui suivront.

M. Nielsen: Oui, mais c'est un profit, n'est-ce pas?

M. MacDonald: Non.

M. Nielsen: Alors, comment est-ce que l'industrie privée appellerait cela, surplus ou profit?

M. MacDonald: Non. Un profit que l'on distribue; mais nous ne pouvons distribuer cela. Cela ne peut aller qu'à deux places.

M. Nielsen: Autrement dit, les revenus excèdent les dépenses.

M. Kaplan: Puis-je poser une question supplémentaire?

M. Nielsen: Plus de revenus que de dépenses.

M. MacDonald: Disons que c'est un fonds de réserve qui, d'après la loi, ne peut être réinvesti que dans le capital, ou utilisé pour éviter d'augmenter les tarifs. Et on le fait souvent maintenant. Nous avons deux ou trois situations maintenant où nous avons accumulé un excédent; nous devrions élever les tarifs, mais nous avons recours à l'excédent pour éviter...

M. Nielsen: Mais vous avez dit l'automne dernier que la C.E.N.C. n'avait pas de fonds de réserve.

M. MacDonald: Mais bien sûr qu'il y en a un.

M. Humphrys: Nous avons un fonds de réserve pour chaque usine, sauf dans certains

[*Texte*]

there have not been enough funds developed to create a contingency fund.

Mr. MacDonald: If there is no surplus, if we are in a rising cost curve, we cannot accumulate when we do not have a surplus.

Mr. Nielsen: Well, you sure have one in Whitehorse.

Mr. MacDonald: The Whitehorse situation is very clear. We have a growth of load which is producing a surplus. But that is precisely what I referred to a moment ago; we see concurrently a rising cost curve because of the need to put incremental loads in it. We could reduce rates right now but we would probably have to put them again in two years.

The Chairman: Mr. Kaplan indicated that he had a supplementary on this.

Mr. Kaplan: This is a supplementary to Mr. Nielsen's question. I am sorry I do not have the material that shows those figures, but what percentage of revenue does that $5,000 represent in the period in question?

Mr. Humphrys: That particular year it was almost exactly 10 per cent. But I might say that the next year it operated at a deficit, and the second year it operated at a deficit because of the rising cost factor with virtually no increase in consumption in this particular community.

Mr. Kaplan: Are there any areas in which you compete with private enterprise, side by side as it were, offering the same service?

Mr. Humphrys: No.

The Chairman: Mr. Simpson?

Mr. Simpson: Mr. Chairman, I would like to get back to a subject I spoke of a moment ago. In relation to employment we were told that there were some 37 employees at Frobisher and I think it was 47 at Inuvik. However, the explanation was that in these two places certain extra services were performed by NCPC. Now do such services as the operation of heating plants for the hostels and water and sewage plants generally demand a less skilled employee than some of the other operations?

Mr. Humphrys: Well, that depends. At Inuvik a number of these extra employees are steam engineers who are much more highly skilled. You need one highly skilled man in

[*Interprétation*]

cas, où il n'y avait pas assez de fonds pour créer un fonds de réserve.

M. MacDonald: S'il n'y a pas de surplus, et que le coût augmente, nous ne pouvons pas accumuler.

M. Nielsen: Vous en avez sûrement un à Whitehorse.

M. MacDonald: La situation à Whitehorse est très claire. Nous avons une augmentation de la charge qui entraîne un excédent. Mais c'est précisément ce dont j'ai parlé il y a un instant. Nous voyons en même temps une augmentation de la courbe du coût, parce qu'il serait possible peut-être maintenant de baisser les tarifs. Mais il faudrait probablement les remonter dans deux ans.

Le président: M. Kaplan voulait poser une question supplémentaire.

M. Kaplan: C'est une question complémentaire à celle de M. Nielsen. Je m'excuse de ne pas avoir le document qui indique ces chiffres mais en ce qui concerne ces $5,000, est-ce que je pourrais demander ce que cela représente comme pourcentage des recettes?

M. Humphrys: Eh bien, cette année-là, cela a représenté exactement 10 p. 100. Mais je dois dire que l'année suivante, c'était un déficit, et l'année suivante encore, c'était un déficit, à cause de l'augmentation du facteur coût, sans augmentation de la consommation, dans cette localité donnée.

M. Kaplan: Est-ce qu'il y a des régions où vous faites concurrence à l'entreprise privée, autrement dit, où vous entrez en concurrence en offrant le même service?

M. Humphrys: Non.

Le président: Monsieur Simpson?

M. Simpson: Monsieur le président, j'aimerais revenir à une question que j'avais soulevée il y a un instant, en ce qui concerne l'emploi. On nous a dit qu'il y avait quelque 37 employés à Frobisher et je ne suis pas certain si c'était 47 à Inuvik, mais je crois que c'était cela. Or, l'explication qui a été donnée est que, à ces deux endroits, il y avait certains services supplémentaires fournis par la CENC. Or, ces services, comme, par exemple, l'exploitation du chauffage central pour les hôtels, ou des égouts modernes, est-ce que tout cela demande en général des employés moins qualifiés que d'autres?

M. Humphrys: Cela dépend. A Inuvik, il y a parfois des ingénieurs de chaudière qui sont des gens particulièrement compétents. Ils doivent être très compétents. Certains employés,

[*Text*]

the water system, virtually a laboratory technician. Then a number of these employees at Inuvik are tradesmen—appliance repairmen, welders, electricians and plumbers. We do all the electrical-mechanical maintenance in Inuvik, including refrigeration, except painting and carpentry.

Mr. Simpson: Are skilled men required for the maintenance of the Utilidor System?

Mr. Humphrys: Yes, pipefitters and welders. There will be a few labourers involved, too, but essentially we do have to have skilled trades.

Mr. Simpson: Are the native people employed generally confined to a labouring class of work at those two points?

Mr. Humphrys: No, they are advanced. If they show aptitude they, certainly are advanced. At Inuvik, for instance, we have a native man who is assistant on the electrical distribution system—you might call him the assistant foreman.

Mr. Simpson: The reason I am asking is that in earlier meetings, when NCPC were before the Committee, many members were quite concerned about the small number of native people employed by NCPC. I think a lot of the members were quite critical of the fact that there were not too many native people employed. Now that we find out that NCPC have these additional duties, I am wondering just how many of the very few native people who are employed are actually in the labouring class.

Mr. MacDonald: On the point you made about there being very few employed, I would refer to my earlier testimony. Of the total number of permanent staff, namely 213, 83 are indigenous to the region.

Mr. Nielsen: What do you mean by "indigenous"?

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Mr. MacDonald: Indians—27, Métis—24, Eskimos—16, Northern residents—people born in the North for whom we had to take the count as well—16, for a total of 83. So I do not think it is accurate to say, as seems to be the growing tendency, that very few are employed by the Northern Canada Power Commission. Again, I have given you individual instances of individuals rising through to the supervisory levels as they develop these skills. Certainly it is the policy to do this.

[*Interpretation*]

à Inuvik, sont soudeurs, plombiers, électriciens. Nous faisons tout l'entretien mécanique et électrique à Inuvik, y compris la réfrigération, sauf la peinture et la menuiserie.

M. Simpson: Est-ce qu'il est nécessaire d'avoir des gens particulièrement compétents pour l'entretien du système «Utilidor»?

M. Humphrys: Oui, il faut des plombiers et des soudeurs. Il y a évidemment quelques manœuvres, mais en gros, il faut avoir des gens compétents.

M. Simpson: Je voudrais savoir si les indigènes qui sont employés ne sont généralement que des manœuvres, dans ces deux domaines?

M. Humphrys: S'ils ont d'autres aptitudes, on peut certainement les envoyer dans un autre secteur. Par exemple, à Inuvik, nous avons un indigène qui est le contremaître adjoint pour le système de distribution d'électricité.

M. Simpson: Je pose cette question parce que, lors des séances précédentes, lorsque la CENC a témoigné devant le Comité, beaucoup de membres du Comité s'inquiétaient du peu d'Indiens employés par la CENC, et je pense que beaucoup de membres critiquaient le fait qu'il n'y avait pas beaucoup d'indigènes. Et je me demande si, maintenant qu'on s'aperçoit que la CENC a fixé ses conditions, je voudrais savoir combien d'Indigènes dans les quelques personnes employées sont des manœuvres?

M. MacDonald: Pour ce qui est du petit nombre, je vous renvoie à mon témoignage précédent. Sur l'effectif permanent, soit 2-3 personnes, 83 sont des Indigènes.

M. Nielsen: Que voulez-vous dire par «Indigène»?

M. MacDonald: Indiens: 27, Métis: 24, Esquimaux: 16, résidents du Grand Nord, c'est-à-dire les personnes nées là et dont il faut tenir compte: 16, pour un total de 83. Alors, je ne crois pas qu'il soit juste de parler d'une tendance selon laquelle la Commission d'énergie du Nord canadien emploie peu d'Indigènes. Je vous ai cité en exemple certains Indigènes qui ont atteint le niveau de surveillant grâce à leur compétence. C'est là notre politique.

[*Texte*]

Mr. Simpson: I think I am quite correct in saying that in earlier meetings some of us were quite critical of the fact that there were not too many employed.

Mr. MacDonald: This is what I am a bit puzzled about because I had given this evidence.

Mr. Simpson: Well in Appendix A on page 3 we have shown employment of native Indians in NCPC operations. At Dawson the figure is nil, one at Mayo, and at Whitehorse—nil.

Mr. MacDonald: Yes, but I have given you the global figures—27 Indians employed by the Commission; 24 Métis; 16 Eskimos; and 16 people born in the North—83 out of a total of the 213 which is, given the length of time the edicational system has been in process and the problems of social adjustment and the technical problems that the Canada Power Commission faces in this area, I think, if not the best record in the world, at least certainly progress.

Mr. Simpson: I am wondering if we could find out just how many of them, out of these 83, are actually in the labouring class where no great skill is required.

Mr. Humphrys: I do not think I have that breakdown, Mr. Simpson, but I would have to say that the majority are in the labouring class because they have not advanced.

But there are some cases, as Mr. MacDonald mentioned earlier, such as this man Mr. Evans. He was a Métis at Fort Smith who had been trained and with the Commission a number of years. He has advanced to the position of assistant superintendent. We had another Metis who became the superintendent of a plant and he was actually moved out of the Northwest Territories to Field, B.C. We have linemen and assistant linemen. We have two or three Eskimos at Frobisher Bay who are linemen, which is a skill trade, and who are working at the top of the poles, but I cannot give you an actual number by number breakdown as to what they are. I do not have it in that detail.

Mr. Simpson: The reason I am asking is that I know the Committee members are vitally interested in the opportunities, particularly the opportunities that we feel that corporations such as NCPC should provide, not only to hire but to train native Eskimo and Indian people to be able to accept better positions with the Corporation.

The Chairman: Does that complete your questioning.

[*Interprétation*]

M. Simpson: Je pense que lors d'une séance précédente, certains d'entre nous ont critiqué le fait qu'il n'y avait pas beaucoup de personnes employées permi les Indigènes.

M. MacDonald: Ce qui me surprend un peu, car j'ai démontré le contraire.

M. Simpson: A l'annexe A, à la page 3, nous avons donné le nombre d'Indiens employés par la C.E.N.C. A Dawson: zéro, à Mayo: un, Whitehorse: zéro.

M. MacDonald: Je vous ai donné les chiffres dans leur ensemble. Vingt-sept Indiens employés par la Commission, 24 Métis, 16 Esquimaux et 16 personnes nées dans le Nord, c'est-à-dire 83 personnes sur un total de 213. Depuis le temps qu'il y a un service d'enseignement et les problèmes techniques et sociaux auxquels nous faisons face dans le Nord, je pense que, même si ce n'est pas un record, nous avons certainement fait du progrès.

M. Simpson: Je me demande si nous ne pourrions pas établir combien d'entre eux sont vraiment des gens qui n'ont aucune vraie formation?

M. Humphrys: Je ne sais pas si j'ai les chiffres mais la majorité sont certainement des ouvriers.

Il y a des cas comme M. Evans qui était un Métis à Fort Smith, comme M. MacDonald l'a mentionné plus tôt, qui a été formé par la Commission et il est maintenant surveillant adjoint. Nous avons un autre Métis qui est devenu surveillant d'une Centrale et a été envoyé à Field, en Colombie-Britannique. Nous avons des poseurs de lignes et des assistants. Nous avons 2 ou 3 Esquimaux à Frobisher Bay qui sont des hommes spécialisés dans les réparations des lignes de transmission. Je ne peux pas vous dire le nombre exact.

M. Simpson: La raison pour laquelle je pose cette question c'est que je sais que les membres du Comité sont très intéressés aux emplois, surtout aux emplois que nous pensons qu'un organisme telle que celui-ci devrait fournir aux Esquimaux et les Indiens.

Le président: Est-ce que votre question est finie, M. Simpson?

[*Text*]

Mr. Simpson: I have a short question—well, it may not be so short. Mr. Nielsen in a number of his questions tonight tried to get an answer from the management of NCPC on whether or not they felt they could supply electric power less expensively to the people of the Yukon than could privately owned utilities in the Yukon and I gathered that the answer was that you felt that you could supply power at an equivalent rate.

Mr. MacDonald: At less cost, I think, Mr. Chairman.

The Chairman: You felt it was at less cost.

Mr. MacDonald: For the reasons I mentioned earlier, the cost of capital.

The Chairman: My question is this. Since the distribution of the power in many parts of the Yukon is being carried on by the Yukon Electric Company, do you feel that if this distribution were done by the NCPC it could be done at a cost equivalent to what it is now? Or could you do it less expensively, or would it cost more, or do you have any answer to that question?

Mr. MacDonald: I think on the distribution end of it it would probably be pretty close because we are not entering into the question of the large capital requirement.

Mr. Nielsen: How about the cost of that line to Anvil? How many millions did that cost?

Mr. MacDonald: Oh, that is a capital cost. In that case I think it would be cheaper under public auspices than under private, again for the reason of the cost of borrowing

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and the length of amortization, but in the distribution field the capital formations are less significant.

The Chairman: So do you feel there would be any appreciable difference between the two costs or do you feel that given the alleged efficiencies of private enterprise they could do it perhaps slightly less expensively than a publicly owned distribution system?

Mr. MacDonald: There would be so many factors which would enter into it, including the relative efficiencies of the institutions you would argue about, and this would be a matter of judgment. In theory at least I think the combination of the wholesaling and retailing functions should permit you to sell it, even on the retail side, somewhat more cheaply.

[*Interpretation*]

M. Simpson: J'ai une question très brève à poser. Monsieur Nielsen, ce soir, dans la plupart de ses question a essayé d'obtenir une réponse à une question qu'il avait posé à la direction aux fins de savoir s'il était possible de fournir de l'énergie électrique à un taux moins élevé à la population du Yukon que ne pourrait le faire l'entreprise privée et la réponse avait été, je crois, que vous pouviez fournir le courant à un taux équivalent, est-ce que c'est exact?

M. MacDonald: A un coût moindre, M. le président.

Le président: Vous pensez que cela est fait à un coût moins élevé?

M. MacDonald: Pour les raisons que j'ai indiquées, plus tôt, le coût du capital.

Le président: Ma question est celle-ci: Vu que la distribution du courant dans un grand nombre d'endroits du Yukon est sous la responsabilité de la Yukon Electric Company, êtes-vous d'avis que si la distribution était effectuée par le C.E.N.C., les coûts seraient équivalents au coût actuel, ou est-ce que vous pourriez le faire à un tarif moins élevé, ou plus élevé? Avez-vous une réponse à cette question?

M. MacDonald: Du point de vue de la distribution, cela serait probablement semblable, car, nous ne tenons pas compte des énormes capitaux investis.

M. Nielsen: Mais le coût d'une ligne pour Anvil? Combien de millions coûte la ligne?

M. MacDonald: Oh, ceci correspond à une immobilisation. Dans ce cas-là, la dépense serait moindre si c'était une dépense gouvernementale, plutôt que privée à cause du taux d'intérêt des emprunts et la durée de l'amortissement. Mais dans le domaine de la distribution les besoins en capital jouent un rôle de moins important.

Le président: Y aurait-il une différence appréciable entre les coûts selon un système ou l'autre, ou bien étant donné l'efficacité de l'entreprise privée, pensez-vous qu'elle pourrait le faire à un coût moins élevé que ne pourrait le faire une entreprise publique?

M. MacDonald: Il y a tellement de facteurs à étudier, y compris l'efficacité des deux institutions et il s'agirait d'une question de jugement. En théorie du moins. Il me semble que la combinaison gros-détail devrait vous permettre de vendre un peu moins cher par l'entremise d'un service public.

[*Texte*]

The Chairman: Than the public system?

Mr. MacDonald: Yes.

Mr. Nielsen: Mr. Chairman, I take it from that answer—just to make sure I have it right because this is the kind of answer I was trying to get before—that Mr. MacDonald is saying that NCPC can both generate and distribute more cheaply than private enterprise.

Mr. MacDonald: I think the combination of both, Mr. Nielsen, would probably let you do it more cheaply because of the spread of overheads in the organization.

The Chairman: In one of your answers, Mr. MacDonald, you indicated that you felt that the two functions of President of NCPC and Deputy Minister of Indian Affairs and Northern Development were useful in combination because one of the objectives of the Department of Indian Affairs and Northern Development was the economic development of the North and that you felt that the NCPC was a useful tool in achieving this economic development.

Would it be an even more useful tool or would it affect its effectiveness as a tool for the economic development of the North to have both the production of electricity and the distribution of electricity combined in one publicly owned utility, or am I getting into government policy?

Mr. MacDonald: Well, I can only state that this is in fact what we have done in Anvil and it has certainly been a great help to be able to make total commitments with respect to the production and sale of power when we were negotiating with Anvil to bring them into the kind of investment that they eventually made.

The Chairman: So you feel that if the two items were combined and you had simply one organization handling all the electricity, production and distribution, in the Yukon, this would be an even more useful instrument, in your view in promoting the economic development of this territory.

Mr. MacDonald: I think it would certainly be no less effective than the present system, and possibly more effective.

Mr. Smerchanski: Mr. Chairman, if I may ask one supplementary question.

With all these discussions going on and our not being able to have all the facts precisely laid out because when you ask a question there is some other circumstance or condition that seems to affect the answer—that the

[*Interprétation*]

Le président: Que les services publics?

M. MacDonald: Oui.

M. Nielson: Je voudrais m'assurer que j'ai bien compris parce que c'est le genre de réponse que j'ai essayé d'obtenir auparavant. M. MacDonald dit que le C.E.N.C. peut produire et distribuer à des frais moins élevés que l'entreprise privée.

M. MacDonald: Je pense que oui. Parce que le coût des frais généraux est moins élevé.

Le président: Dans une de vos réponses, Monsieur MacDonald, vous avez indiqué que vous étiez d'avis que les deux fonctions de président de C.E.N.C. et de sous-ministre des Affaires Indiennes et du Nord canadien était une combinaison de poste utile, parce que le but de votre ministère était de développer le Nord du point de vue économique et vous étiez d'avis que le C.E.N.C. serait un instrument utile à ce sujet.

Serait-il un outil encore plus utile, ou est-ce que son efficacité serait multipliée si la production d'énergie et la transmission du courant étaient réunies en une seule société d'État? Ou est-ce que je reviens à une question de politique du Gouvernement?

M. MacDonald: C'est ce que nous avons fait à Anvil et cela nous a beaucoup aidé en cherchant à établir quels seraient les engagements. Lorsque nous avons négocié avec Anvil et cela a obligé la Compagnie à investir, ce qu'ils ont fait dans cette région-là.

Le président: Vous êtes d'avis alors qu'ils ont réuni dans une seule organisation la production et la distribution du courant dans le Yukon, et que ce système serait encore plus efficace dans le développement du Nord?

M. MacDonald: Non moins efficace que le système actuel et probablement plus efficace.

M. Smerchanski: Monsieur le président, je voudrais poser une autre question supplémentaire.

Au cours de toutes ces discussions, et parce que tous les faits ne sont pas soumis au Comité, lorsqu'on pose une question on entrevoit qu'une autre circonstance peut affecter la réponse, on s'aperçoit que les coûts sont

[*Text*]

costs are not segregated or they may be involved with something else and it is made on an arbitrary decision but otherwise it is made on a clear-cut basis—I would like to leave the suggestion, and I think possibly this should be done in the not-too-distant future, that an outside private consulting firm should make a very detailed study of the power situation in the Yukon. I think that this could be done on the basis of complete cost of engineering from generation to power line distribution without bringing in any economic conditions, but a straight engineering cost and I think that this would be a very simple one. It would not have to cost too much money and I think it would clear the air to a great extent in the minds of the members of this Committee and certainly as far as the. Department is concerned. Mr. Chairman, has such an engineering cost sutdy ever been made by a private consultant and, if not, could it be made?

The Chairman: Perhaps I could suggest something to you, Mr. Smerchanski—that you direct this question to Mr. MacDonald. He may have an answer to it now, but it would be an interesting question to direct to Professor Anderson. Professor Anderson was responsible for the electrical recommendation contained in the Carr Report and he will be with us on Tuesday. You could perhaps go into this with him but perhaps Mr. MacDonald has answer to that now.

Mr. MacDonald: No, I do not believe any such study has been made although there may have been varying elements of one. We have commissioned a study on the hydro power potential of the Yukon, which may not be quite what you have in mind.

Mr. Smerchanski: What I had in mind, Mr. Chairman, is strictly a study and a report made on what has been expended, what has been developed, what has been amortized, the state of the equipment, its useful life in the near future, and do away with all speculation in the realm of economic development and so forth but go strictly on the basis of the cost and what it does. Can free enterprise do the same type of work compared to the government and, if it can, what is the difference in cost?

Mr. MacDonald: I think that is a different kind of study.

The Chairman: Mr. Nielsen indicated that he had a question, Mr. Kaplan.

Mr. Kaplan: I only wanted to make an observation, not to ask a question, and that is—this is an age-old question—can private

[*Interpretation*]

englobés dans un autre système de comptabilité ou quelque chose comme ça. Je voudrais proposer, je pense que dans un avenir assez rapproché une société privée fasse une étude visant l'énergie dans le Yukon, établissant quels sont les coûts, quelle est la distribution par les lignes de transmission etc... Et il devrait y avoir une étude des coûts pour le génie. Ça ne devrait pas coûter trop cher et je pense qu'on aurait un meilleur aperçu de la question. Les députés seraient plus en mesure de juger. Est-ce qu'on a fait une étude de ce genre et est-ce qu'une société privée pourrait entreprendre ce genre d'étude?

Le président: Je vais vous proposer quelque chose. Poser cette question à M. MacDonald. Il serait intéressant de diriger la question au professeur Anderson. Le professeur Anderson est responsable des recommandations quant à l'énergie électrique qui se trouve englobée dans le rapport. Et vous pourriez discuter de la question avec lui. Mais, peut-être que M. MacDonald peut vous répondre.

M. MacDonald: Non, je ne pense pas qu'on ait entrepris une étude de ce genre, mais une étude dans sa totalité n'a jamais été faite. Nous avons demandé qu'une enquête soit faite sur le potentiel de l'énergie électrique dans le Yukon, mais ce n'est pas tout à fait la même chose.

M. Smerchanski: Je songeais plutôt à un rapport au sujet de ce qui a été développé, de ce qui a été dépensé, ce qui a été amorti, car les conditions de l'équipement sont sans considération aucune au sujet du possible développement économique. Quels sont les coûts dans ce domaine? Est-ce que l'entreprise privée peut remplir les mêmes fonctions que les services publics? Et si oui, quelles sont les différences de coût.

M. MacDonald: C'est un différent genre d'études.

Le président: M. Nielsen a une question. M. Kaplan.

M. Kaplan: Je veux simplement faire une observation, et non poser une question. C'est-à-dire que c'est une question aussi

[*Texte*]

enterprise operate cheaper than can the government? I doubt if any investigation would yield an answer that would be satisfactory to everybody because doctrine is involved, and ideology, and it becomes a very hard question to really satisfy yourself about.

The question I recommend we ask is whether private enterprise is capable of providing electricity at reasonable prices, and I think my approach would be to ask private enterprise that question from time to time. Can you provide this service at a reasonable price in this area, and if they can do it my inclination would be to let the government do something else with its resources.

Certainly in the North there are enough things to do that we do not have to go around doing things that private enterprise can do at reasonable prices, but if we wanted to deal with and seriously direct ourselves to the question of whether free enterprise is better—and I suppose that is what we are after—than government activity I do not think we would get anywhere.

Mr. Southam: Mr. Chairman, just as a supplementary observation to what Mr. Kaplan has said, I think the statement he made of free enterprise plus government intervention so far as the provision of these services is concerned would be true here in the more urbanized and highly industrialized areas. However, in thinking of the North I can understand governments over the years setting up a policy where the government would have to mother the development of the North, but I think there comes a time when we will be developed enough up there that we would feel that perhaps private enterprise could take over in a private enterprise nation like we have.

I am very interested in Mr. Smerchanski's suggestion that possibly this is the time for an economic engineering study to see if we have reached the stage in the development of the North where we should encourage private capital to come in and carry on these services rather than have the government involved in them.

I am disappointed to hear still a sort of tendency on the part of the government to feel that they still supersede; that is, their efficiency in providing capital and developing and providing these services still supersedes the benefits of private capital.

The Chairman: We are in discussion now and I believe we still have a couple of questions indicated, one from Mr. Thomson.

[*Interprétation*]

vieille que le monde. L'entreprise privée peut-elle offrir à moindre frais les mêmes services offerts par le gouvernement? Je doute que l'enquête puisse nous donner une réponse qui satisfasse tout le monde parce qu'il y a l'idéologie et la doctrine qui entre en jeu et vous pouvez difficilement parvenir à une opinion qui soit vraiment satisfaisante.

La question que nous devrions poser est celle-ci: est-ce que l'entreprise privée peut fournir l'énergie électrique à des taux raisonnables, et me semble, que l'on devrait, de temps à autre, poser cette question à l'entreprise privée. Pouvez-vous fournir ce service à des prix raisonnables pour ce secteur et s'ils peuvent le faire, je laisserais le gouvernement utiliser ses ressources d'une autre façon.

Certes il y a dans le Nord suffisamment à faire sans aller accomplir des tâches que l'entreprise privée peut faire à des prix raisonnables, mais si nous voulons sérieusement essayer de savoir si l'entreprise privée est plus efficace que le gouvernement, et je pense que c'est là notre objectif, nous ne parviendrons jamais à quelque chose de concret.

M. Southam: Monsieur le président, j'aimerais commenter ce que Monsieur Kaplan vient de dire. Il me semble que la déclaration qu'il a faite à propos de l'entreprise privée et de la collaboration du gouvernement en ce qui concerne les mesures prises pour assurer ces services serait urbanisés et hautement industrialisés. Cependant, lorsque je songe au Nord, je comprends très bien que les gouvernements aient établi au cours des années une politique qui oblige le gouvernement à parrainer la mise en valeur du Nord, mais il arrive un jour où le Nord sera assez mis en valeur pour inviter l'entreprise privée de jouer son rôle dans le Nord.

Et je note la suggestion de M. Smerchanski, que le moment est peut-être venu pour entreprendre une étude économique, pour établir si oui ou non, nous en sommes arrivés au point, où nous devrions encourager le capital privé à venir fournir ces services plutôt que de laisser ces services sous la direction du gouvernement. Je suis déçu de savoir qu'il y a eu tendance de la part du gouvernement de croire qu'ils peuvent mieux que les autres; c'est-à-dire de croire que leur aptitude à fournir le capital et à mettre en valeur et assurer ces services peut remplacer les avantages offerts par le capital privé.

Le président: Nous sommes en pleine discussion et je crois que nous avons encore quelques questions, Monsieur Thomson (Battleford-Kindersley)?

[*Text*]

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have deliberately not spoken on this particular section because I felt there were some who were much closer to the problem than I am. However, from this last particular bit of discussion I think in connection with the power development in the North, as anywhere else, you might have cheaper power if you produced it for Whitehorse, but I could see some of the smaller fringe areas paying a whole lot more.

I live on a farm miles from anywhere in Saskatchewan and I could not see anyone ever producing power at a profit to farms situated in the same way as mine, and this will go on forever.

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At the same time, I do not see any reason why the people, shall we say in Saskatoon, who are allowed to live there because I purchase machines and goods and services and what not should pay less, and I think the same thing would apply any place. This is true particularly in a new and developing area. In the Niagara peninsula where there is a lot of industry, and so on, you have another argument altogether, but unless there is something wrong with the operation of this particular item, I think that we have doing an exercise in semantics.

In effect, the people in the fringe areas are going to pay more than they can afford for power, and those in the cities or the larger centres will get it at a cheap rate. I think that if you could sort of average it out it would be much fairer to everyone.

The Chairman: Mr. Nielsen?

Mr. Neilsen: Mr. Chairman, might I be permitted just a moment here with respect to the observations made of Mr. Thomson, Mr. Kaplan and Mr. Smerchanski?

On page 256 of Issue Number 11 of the Committee's Proceedings you will see a number of communities listed, all in the Yukon. Apart from the community of Whitehorse and the supply to Carcross, Mayo and Dawson, every community in the Yukon is supplied with power generated by the investor-owned utilities and not by Northern Canada Power Commission.

I think it is important for Committee members to know that in looking at this letter to you, Mr. Chairman and Appendix A—I think it could be Appendix B; I cannot

[*Interpretation*]

M. Thomson (Battleford-Kindersley): Monsieur le président, j'ai délibérément passé sous silence cette partie de la question parce qu'il me semblait qu'il y en avait, d'autres, qui étaient plus au courant du problème que moi-même. Mais, sur ce dernier chapitre, il me semble qu'en ce qui concerne la mise en valeur de l'énergie dans le Nord, tout comme ailleurs, vous pouvez produire de l'énergie à meilleur compte si vous la produisiez uniquement pour Whitehorse, mais je comprends que des collectivités avoisinantes doivent obtenir cette énergie en payant beaucoup plus.

Moi-même je vis dans un village très isolé dans la Saskatchewan et je ne peux croire que l'entreprise privée puisse me fournir de l'énergie et en même temps faire des bénéfices. Je ne vois pas pourquoi ceux auxquels on a permis d'habiter Saskatoon car je connais la place parce que j'y achète des machines, des marchandises et autres, devraient payer moins cher, et à mon avis, le même raisonnement devrait s'appliquer n'importe où il y a énormément d'industries ailleurs. C'est ce qui arrive surtout dans un nouveau secteur qui se développe. Dans la péninsule du Niagara où l'on voit de nombreuses industries, la situation est tout à fait différente, mais à moins que quelque chose ne cloche dans cette question, je crois que tous nos efforts auraient été futiles.

A vrai dire, les gens des régions isolées devront payer plus qu'ils ne peuvent payer pour obtenir l'énergie tandis que ceux qui demeurent dans les villes paieront toujours un tarif moins élevé. Ce serait bien plus juste pour tout le monde si nous établissions un tarif moyen.

Le président: Monsieur Nielsen?

M. Nielsen: Permettez-moi, Monsieur le président, d'ajouter quelque chose aux déclarations faites par M. Thomson, M. Kaplan et M. Smerchanski. Vous remarquerez à la page 256 du fascicule 11 du Compte rendu du Comité une série de collectivités qui se trouvent tous dans le Yukon. Exception faite de la communauté de Whitehorse et de la fourniture d'énergie à Dawson, Carcross et Mayo, toutes les autres collectivités dans le Yukon, reçoivent l'énergie produite par les services de l'entreprise privée et non par la C.E.N.C., et je pense qu'il importe que les membres du Comité soient au courant de cela lorsqu'ils examineront la lettre qui vous a été adressée Monsieur le président, ainsi que l'appendice A ou B; M. MacDonald dit que c'est au tout

[*Texte*]

turn it up right now—Mr. MacDonald says that the responsibility for generating power in the North was assigned to Northern Canada Power Commission on its inception.

NCPC is a relatively modern concept compared with investor-owned utilities in the Yukon which were incorporated in 1901, at which time the Legislative Council there assigned the responsibility for generating power in that territory to that company, and it is because of the initiative of that company that all of these smaller communities of 30, 40 or 50 people are being supplied, as opposed to a government-owned utility which was set up for the specific purpose of supplying power to these communities and failed to fulfil that objective.

We have heard, Mr. MacDonald say today—and I do not mean any unfriendly criticism of him in this connection—as he has said in the past that NCPC was set up for the purpose of going in where private capital was either unwilling or unable to go to provide these facilities, but they did not fulfil that function in the Yukon.

Private enterprise stepped in and did fulfil it, and I think it is closer, Mr. McDonald, to $100 million rather than $60 million or $80 million when this kind of development takes place at Anvil, at New Imperial, at Arctic, at Venus, at Mount Manson and these other areas of mining development in the Yukon. When these developments are taking place, suddenly NCPC becomes interested, so you can see the squeeze there is.

My own observation is that all private enterprise wants to know is whether their money is welcome for the generation of this facility in the North, and if it is not they want to get out and put it somewhere else—but they want to know. It is as simple as that. Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Nielsen. If there are no further questions the meeting is adjourned until Tuesday morning at 11 a.m.

Mr. Nielsen: Mr. Chairman, may I just thank Mr. MacDonald and Mr. Humphrys, not only for the help that they have been to us, but for their tolerance of my sometimes rather pointed questioning.

Mr. MacDonald: It is good clean fun.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, way I ask Mr. MacDonald a question which I asked previously? Have you done any experimental work with the hovercraft?

[*Interprétation*]

début de la C.E.N.C. qu'a été confiée la tâche de produire l'énergie dans le Nord.

La C.E.N.C. est une organisation relativement moderne, comparée aux services de l'entreprise privée dans le Yukon qui ont été constitués en 1901 date à laquelle le Conseil législatif a chargé cette compagnie de produire de l'énergie pour ce territoire, et c'est grâce à l'initiative de cette compagnie que toutes ces petites collectivités de 30, 40 ou 50 personnes reçoivent de l'énergie contrairement aux services publics propriétés de l'État qui furent établis spécialement pour fournir l'énergie à ses collectivités et qui y ont échoué.

Nous avons entendu M. MacDonald dire aujourd'hui—sans aucune intention de le critiquer à ce sujet—ainsi qu'il l'a déclaré dans le passé que la C.E.N.C. avait été fondée dans le but de s'établir là où l'entreprise privée ne voulait pas ou ne pouvait pas fournir ces services, mais qu'elle n'avait pas rempli cette tâche dans le Yukon. L'entreprise privée s'est introduite et a effectivement révolu les services requis, Monsieur MacDonald, que c'est plus près de 100 millions de dollars lorsqu'il s'agit de travaux de ce genre à Anvil, New Imperial, Arctic, Venus, Mount Mason et ces autres secteurs d'exploitations minières dans le Yukon. Lorsque des situations de ce genre se présentent, la C.E.N.C. s'intéresse soudainement; ainsi vous pouvez vous imaginer la pression là-bas. D'après mes propres observations, tout ce que l'entreprise privée veut, c'est de savoir si leurs fonds sont bienvenus pour promouvoir ces services dans le Nord et sinon, ils veulent quitter et investir leurs capitaux ailleurs, mais de toute façon ils veulent savoir à quoi s'en tenir. C'est aussi simple que çà. Merci Monsieur le président.

Le président: S'il n'y a pas d'autres questions, la séance est ajournée jusqu'à mardi matin à 11 heures.

M. Nielsen: Monsieur le président, je veux remercier M. MacDonald et M. Humphrys, non seulement pour l'aide qu'ils nous ont fournie, mais aussi pour leur tolérance envers mes questions un peu agressives.

M. MacDonald: On a eu du plaisir.

M. Thomson (Battleford-Kindersley): Monsieur le président, puis-je poser à Monsieur MacDonald la même question que j'ai posée précédemment? Avez-vous entrepris des expériences avec les aéroglisseurs?

[*Text*]

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Mr. MacDonald: Yes, we have; we have supported the trials at Churchill. We have learned a lot of lessons. We have done this with other departments as well who are interested in the North. We feel it has certain utility, but it has not come across strong in its present configuration. We think the larger one that is coming along now may have more significance.

The meeting is adjourned.

[*Interpretation*]

M. MacDonald: Oui. Nous avons subventionné les essais à Saint-Jean et nous en avons tiré beaucoup de leçons et nous avons fourni les résultats de ces expériences à d'autres ministères intéressés dans le Nord. Il peut-être très utile, mais la conception actuelle ne nous a pas tellement impressionné. Nous croyons que le nouvel aéroglisseur dont les dimensions sont plus grandes nous intéressera bien plus.

La séance est levée.

APPENDIX "L"

Mr. Smerchanski:

(i) *Information as to what plants are owned by other Departments:*
Plants owned by NCPC in Northwest Territories:

Snare River—2 Hydro Stations	Supplies mines in Yellowknife area, and Rae and Yellowknife townsites
Fort Smith Distribution System	Supplied by NCPC Taltson Hydro
Fort Simpson	Diesel
Inuvik	Diesel and Steam
Frobisher Bay	"
Ft. McPherson	"
Ft. Resolution	"
Cambridge Bay	"
Coppermine	"
Taltson	Hydro—Supplies Ft. Smith and Pine Point townsites and Pine Point Mining area.

Pine Point townsite distribution system

Chesterfield Inlet	Diesel
Baker Lako	"
Norman Wells	Gas Turbine
Ft. Good Hope	Diesel (1969—previously Dept. of Transport).

Plants owned by other Departments:

Aklavik	Dept. land	Operated and maintained by NCPC
Rae	"	" " " —Supplied by Snare River Hydro Plant.
Ft. Liard	"	Maintained by NCPC
Ft. Norman	"	"
Jean Marie River	"	"
Lac La Mantre	"	"
Nahanni Butte	"	"
Wrigley	"	"

Arctic Bay	"	Bathurst Inlet	Dept. IAND
Broughton	"	Cape Perry	"
Cape Dorset	"	Fort Franklin	"
Clyde River	"	Gjoa Haven	"
Grise Liard	"	Holman Island	"
Hall Beach	"	Pelly Bay	"
Igloolik	"	Reindeer Station	"
Lake Harbour	"	Sachs Harbour	"
Padloping	"	Spence Bay	"
Pengnertung	"	Tuktoyaktuk	"
Pond Inlet	"	Resolute	D.O.T.
Coral Harbour	"	Hay River	Northland Utilities
Eskimo Point	"	Providence	"
Rankin Inlet	"	Enterprise	"
Repulse Bay	"	Yellowknife	Plains Western Gas and Elec. Ltd. (supplied by NCPC Snare River Hydro).
Whale Cove	"		

Communities in Yukon:

Community	*Supplied by:*
Whitehorse	Yukon Electrical Co.—NCPC Hydro supply
Mayo	NCPC—Hydro
Dawson	NCPC—diesel
Keno City	Yukon Electrical —NCPC hydro supply
Watson Lake	" diesel
Beaver Creek	" "
Carmacks	" NCPC hydro supply 1969
Destruction Bay	" diesel
Haines Junction	" "
Carcross	" NCPC hydro supply
Stewart Crossing	" diesel
Ross River	" "
Teslin	" "
Upper Liard	" "
Old Crow	" "

APPENDICE «L»

M. Smerchanski

(i) *Renseignements sur les centrales appartenant à d'autres ministères*
Centrales de la C.E.N.C, situées dans les Territoires du Nord-Ouest

Rivière Snare—2 usines hydro-électriques	Alimentent des mines de la région de Yellowknife' ainsi que les lotissements urbains de Rae et de Yellowknife.
Réseau de distribution de Fort Smith	Alimenté par l'usine hydro-électrique de Talston, de la C.E.N.C.
Fort Simpson	Usine diesel
Inuvik	Usine diesel et à vapeur
Frobisher Bay	Usine diesel et à vapeur
Fort McPherson	" "
Fort Resolution	" "
Cambridge Bay	" "
Coppermine	" "
Taltson	Usine hydro-électrique qui alimente les lotissements urbains de Fort Smith et de Pine Point, ainsi que la région minière de Pine Point.
Réseau de distribution du lotissement urbain de Pine Point	
Chesterfield Inlet	Usine diesel
Baker Lake	"
Norman Wells	Usine par turbine à gaz
Fort Good Hope	Usine diesel (depuis cette année; appartenait auparavant au ministère des Transports).

Centrales appartenant à d'autres ministères:

Aklavik	Min. des A.I. et N.C.	Exploitée et maintenue par la C.E.N.C.
Rae	"	" "
		Alimentée par l'usine hydro-électrique de la rivière Snare.
Fort Liard	"	Maintenue par la C.E.N.C.
Fort Norman	"	" "
Rivière Jean-Marie	"	" "
Lac La Mantre	"	" "
Nahanni Butte	"	" "
Wrigley	"	" "
Arctic Bay	"	Bathurst Inlet — Min. des A.I. et N.C.
Broughton	"	Cape Perry — "
Cape Dorset	"	Fort Franklin — "
Rivière Clyde	"	Gjoa Haven — "
Grise Liard	"	Holman Island — "
Hall Beach	"	Pelly Bay — "
Igloolik	"	Reindeer Station — "
Lake Harbour	"	Sachs Harbour — "
Padloping	"	Spence Bay — "
Pangnertung	"	Tuktoyaktuk — "
Pond Inlet	"	Resolute — Min. des Transports
Coral Harbour	"	Hay River — Northland Utilities
Eskimo Point	"	Providence — "
Rankin Inlet	"	Enterprise — "
Repulse Bay	"	Yellowknife — Plains Western Gas and Elec. Ltd. (Alimentée par l'usine hydro-électrique de la rivière Snare, de la C.E.N.C.)

Agglomérations du Yukon:

Agglomération	*Fournisseur*
Whitehorse	Yukon Electrical Co.—Alimenté par l'usine hydro-électrique de la C.E.N.C.
Mayo	C.E.N.C.—usine hydro-électrique
Dawson	C.E.N.C.—usine diesel
Keno City	Yukon Electrical—Alimenté par l'usine hydro-électrique de la C.E.N.C.
Watson Lake	" usine diesel
Beaver Creek	" usine diesel
Carmacks	" Alimenté en 1969 par l'usine hydro-électrique de la C.E.N.C.
Destruction Bay	" usine diesel
Haines Junction	" usine diesel
Carcross	" Alimenté par l'usine hydro-électrique de la C.E.N.C.
Stewart Crossing	" usine diesel
Ross River	" usine diesel
Teslin	" usine diesel
Upper Liard	" "
Old Crow	" "

(ii) It is not practicable to provide a comparison of the cost of power produced by thermal (diesel) generation and hydro for every location in the North, because many of the small communities are remote from feasible hydro sites or are so small that hydro supply from any available hydro site, developed or projected, would not be economically practical. The following is offered to indicate the range of cost experience (1968) and to illustrate the effect of size and location, and the magnitude of the various cost factors that make up the total cost of power:

Location	Ft. Resolution	Ft. Simpson	Coppermine	Inuvik	Frobisher	Snare River
Type of Plant	Diesel	Diesel	Diesel	Diesel/Steam	Diesel	Hydro
Capital Cost	$190,000	$415,000	$314,000	$2,900,000	$2,300,000	$10,000,000
Installed Capacity	450 KW	1,300 KW	600 KW	4,460 KW	4,300 KW	15,000 KW
Firm Capacity	250 KW	700 KW	400 KW	3,460 KW	2,800 KW	8,000 KW
Peak Demand	205 KW	615 KW	150 KW	2,420 KW	1,740 KW	13,000 KW
Kwhrs Generated	722,000	2,535,000	775,000	11,070,000	10,141,000	63,902,000
Kwhrs Sold	660,000	2,175,000	725,000	9,435,000	9,095,000	58,215,000
Fuel Cost	22.7c/gal.	18.3c/gal.	52.4c/gal.	17c/gal.	18c/gal.	N/A
	Unit Cost—Cents per KWHr.					
Plant Staff Wages Benefits	6.0	3.8	6.9	1.75	2.6	.23
Fuel and Lubricants	1.9	1.5	4.8	1.12	1.6	N/A
Capital Charges	1.8	1.1	3.3	.96	1.76	.65
Maintenance	.6	.7	.5	.41	.27	.01
Miscellaneous	.4	.3	1.25	.24	.16	.03
	10.7	7.4	16.75	4.48	6.39	.92
Admin. and Overhead	.9	.5	1.1	.12	.36	.08
Total Cost	11.6	7.9	17.7	4.6	6.75	1.0*
Est. Distribution Cost*						1.0 — 1.5
						2.0 — 2.5

*NOTE. Snare River Hydro costs include transmission (90 miles) to Yellowknife but do not include local distribution costs. A range of 1.0 to 1.5c/kwhr has been added to represent distribution costs and thereby make the Snare River hydro example comparable with the other five examples, all of which include local retail distribution costs.

The above table illustrates that in the smaller operations wages and associated costs, and to a lesser extent fuel are the most significant cost items, and charges in respect to invested capital are of lesser significance. In the larger diesel operations wages, fuel and capital charges came more nearly into balance but wages remain predominant. The effect of volume is illustrated by the hydro example where the kilowatt hour volume is such that the unit cost is low despite the magnitude of the investment; however, if the output were to be reduced by 50%, hydro cost would be doubled and with the addition of retail distribution the difference between hydro and large scale diesel operations would be greatly reduced.

Fuel supply to NCPC plants in the Northwest Territories with the exception of Frobisher Bay, Baker Lake and Chesterfield Inlet, is from Norman Wells Oil Refinery via tanker barge.

Baker Lake and Chesterfield Inlet are supplied from Churchill, Manitoba, by tanker barge.

Frobisher Bay is supplied by ocean tanker from Aruba supply being arranged in conjunction with other fuel requirements for this area.

In most instances NCPC provides bulk storage as part of the plant facilities but in certain locations bulk storage facilities are provided by government departments or by private vendors.

In the Yukon, fuel is supplied to bulk storage in Whitehorse from California via ocean tankers to Skagway, thence pipeline to Whitehorse. From Whitehorse supply is via tanker truck—e.g. to Dawson City. A small quantity of fuel is supplied to the Whitehorse area by tanker truck.

Fuel costs are as follows:

Yukon:

Whitehorse—24.5c/gal. delivered to NCPC bulk storage at Plant.
Dawson City—33.1c/gal. delivered to bulk storage at NCPC auxiliary diesel plant.

(ii) Il n'est pas facile d'établir une comparaison à l'égard du coçt de production d'énergie par usine thermique (diesel) ou hydro-électrique, pour chaque localité du Nord, car bon nombre des petites agglomérations qui s'y trouvent sont éloignées des emplacements éventuels d'installations hydro-électriques, ou sont si petites qu'il serait trop onéreux de les approvisionner en énergie hydro-électrique à partir de tout emplacement susceptible d'aménagement à de telles fins. Le tableau ci-après donne la gamme des prix de revient (pour 1968); il montre aussi l'importance de l'ampleur et du lieu des installations, tout en illustrant l'ordre de grandeur des divers facteurs qui constituent le prix de revient global de l'énergie produite.

Lieu	Fort Resolution	Fort Simpson	Coppermine	Inuvik	Frobisher	Rivière Snare
Type d'usine	Diesel	Diesel	Diesel	Diesel et à vapeur	Diesel	Hydro-électrique
Frais d'établissement	$190,000	$415,000	$314,000	$2,900,000	$2,300,000	$10,000,000
Capacité installée	450 kW	1,300 kW	600 kW	4,460 kW	4,300 kW	15,000 kW
Capacité assurée	250 kW	700 kW	400 kW	3,460 kW	2,800 kW	8,000 kW
Consommation maximale	205 kW	615 kW	150 kW	2,420 kW	1,740 kW	13,000 kW
N. de kWh produits	722,000	2,535,000	775,000	11,070,000	10,141,000	63,902,000
N. de kWh vendus	660,000	2,175,000	725,000	9,435,000	9,095,000	58,215,000
Coût du combustible	22.7c-gal.	18.3c-gal.	52.4c.gal.	17c.gal.	18c.gal.	Sans objet
	Coût unitaire en cents par kWh					
Prestations à l'égard des salaires du personnel des usines	6.0	3.8	6.9	1.75	2.6	23c.
Combustibles et lubrifiants	1.9	1.5	4.8	1.12	1.6	Sans objet
Frais d'établissement	1.8	1.1	3.3	.96	1.76	.65
Entretien	.6	.7	.5	.41	.27	.01
Divers	.4	.3	1.25	.24	.16	.03
	10.7	7.4	16.75	4.48	6.39	.92
Administration et frais généraux	.9	.5	1.1	.12	.36	.08
Coût global	11.6	7.9	17.7	4.6	6.75	1.0*
Coût estimatif de distributions*						1.0 — 1.5
						2.0 — 2.5

*REMARQUE—Les frais de l'usine hydro-électrique de la rivière Snare comprennent les frais relatifs à la transmission d'énergie à Yellowknife (distance de 90 milles), mais excluent les frais locaux de distribution. Un montant, établi à un taux variant de 1.0 à 1.5c.-kWh, a été ajouté pour ces frais de distribution, ce qui permet de faire une juste comparaison entre les frais relatifs à l'usine en question et ceux des cinq autres usines citées, qui comprennent tous les frais de distribution aux usagers.

Le tableau ci-dessus montre que, pour les petites exploitations, les salaires et les frais connexes et, dans une moindre mesure, le combustible, sont les principaux postes de dépenses et que les frais d'établissement sont de moindre importance. Dans les exploitations plus importantes, les salaires, le combustible et les frais d'établissement s'équilibrent davantage, mais les salaires l'emportent encore. Le cas de l'usine hydro-électrique montre l'importance de l'ampleur des installations, car le nombre de kilowatts-heure produits est tel que leur prix de revient unitaire est faible, malgré l'importance de l'immobilisation effectuée; toutefois, si la production de l'usine devait être réduite de 50 p. 100, son prix de revient doublerait, de sorte qu'en lui ajoutant le montant des frais de distribution aux usagers, la différence entre les frais de cette usine et ceux des grandes exploitations diesel serait grandement réduite.

L'approvisionnement en combustible des usines de la C.E.N.C., situées dans les Territoires du Nord-Ouest, à l'exception de celles de Frosbisher Bay, de Baker Lake et de Chesterfield Inlet, se fait depuis la raffinerie d'huile de Norman Wells, au moyen de chalands-citernes.

Les localités de Baker Lake et de Chesterfield Inlet sont approvisionnées depuis Churchill (Manitoba), de la même façon.

Quant à l'établissement de Frosbisher Bay, il est approvisionné par pétroliers long-courrier, depuis le centre d'approvisionnement d'Aruba, dans le cadre d'arrangements conclus avec ce centre à l'égard d'autres besoins en combustible de la région où il se trouve.

La plupart du temps, la C.E.N.C. assure, avec ses usines, les installations d'entreposage en vrac; toutefois, en certains endroits, ce sont des ministères fédéraux ou des fournisseurs privés qui assurent de telles installations.

Le combustible du Yukon est transporté par pétroliers long-courrier de Californie à la localité de Skagway, puis, il est amené par pipe-line aux instalations d'entreposage en vrac de Whitehorse. De cette ville, il est distribué par camions-citernes, notamment à Dawson. Une faible quantité de combustible est distribuée de la même façon dans la région de Whitehorse.

Le prix de revient des combustibles s'établit comme il suit:

Yukon:

Whitehorse—24.25c.-gal., livré aux installations d'entreposage en vrac de l'usine de la C.E.N.C.
Dawson—33.1c.-gal., livré aux installations d'entreposage en vrac de l'usine diesel de secours de la C.E.N.C.

Northwest Territories:

The following plants are supplied from Norman Wells:

	F.O.B. N.W.	Frt.	NWT Tax	Total
Inuvik:				
Bunker	6.0	7.2	3.0	16.2c/gal.
Heavy X	9.6	6.9	3.0	19.5
Light Diesel	18.1	6.5	3.0	24.6
Aklavik:				
Med. Marine	12.9	6.4	3.0	22.3
Ft. McPherson:				
Heavy X	9.6	6.0	3.0	18.6
Light Diesel	18.1	5.65	3.0	26.8
Ft. Simpson:				
Bunker	6.0	5.6	3.0	11.6
Heavy X	9.6	5.4	3.0	15.0
Light Diesel	18.1	5.2	3.0	26.3
Ft. Resolution:				
Heavy X	9.6	10.0	3.0	22.6
Coppermine:				
Light Diesel	18.1	27.6	3.0	48.9
Cambridge Bay:				
Light Diesel from Vendor		62c	3.0	65.0
Heavy X, from Norman Wells	9.6	33.5	3.0	46.1
Baker Lake and Chesterfield Inlet:				
	14.7 (F.O.B. Churchill)	5.3	3.0	23.0
Frobisher Bay	14.5 (F.O.B. Frobisher Bay)		3.0	17.5

NOTE: All fuels referenced above, except light diesel, require heating and cannot be handled readily in cold weather, consequently it is not practicable to use the heavier (temperature sensitive) fuels in smaller plants due to the problems and expense involved in handling comparatively small quantities of such fuels. Bunker fuel from Norman Wells is suitable only for use in heavy slow speed diesel engines as steam boiler fuel and requires preheating for proper combustion.

Coppermine Subsidy:

Operations for 1967–68 encompassed only five months, December 1967 to March 1968 inclusive. During this period revenue from sales at 12c/kwhr totalled $39,389 versus expense of $52,643; the shortfall or deficit for this period was thus $13,254 which was billed to the Department of Indian Affairs and Northern Development, as per agreement. For the full twelve month period of 1968–69 the deficit is estimated at $29,000.

Territoires du Nord-Ouest

Les usines énumérées ci-après sont approvisionnées depuis la localité de Norman Wells:

	F.O.B. pour les T.N.-O.	Transport	Impôt territ.	Total
Inuvik				
Soutes	6.0	7.2	3.0	16.2c.–gal.
Combustible lourd X	9.6	6.9	3.0	19.5
Combustible léger pour diesel	18.1	6.5	3.0	24.6
Aklavik				
Huile marine semi-fluide	12.9	6.4	3.0	22.3
Fort McPherson				
Combustible lourd X	9.6	6.0	3.0	18.6
Combustible léger pour diesel	18.1	5.65	3.0	26.8
Fort Simpson				
Soutes	6.0	5.6	3.0	11.6
Combustible lourd X	9.6	5.4	3.0	15.0
Combustible léger pour diesel	18.1	5.2	3.0	26.3
Fort Resolution				
Combustible lourd X	9.6	10.0	3.0	22.6
Coppermine				
Combustible léger pour diesel	18.1	27.6	3.0	48.9
Cambridge Bay				
Combustible léger pour diesel, provenant d'un fournisseur	62c.		3.0	65.0
Combustible lourd X, provenant de Norman Wells	9.6	33.5	3.0	46.1
Baker Lake et Chesterfield Inlet				
	14.7 (F.O.B., à Churchill)	5.3	3.0	23.0
Frobisher Bay	14.5 (F.O.B., à Frobisher Bay)	.....	3.0	17.5

REMARQUE: Tous les combustibles dont il est question ci-dessus, à l'exception des combustibles légers pour diesel, ont besion d'être chauffés et sont d'emploi difficile par temps froid. Aussi, il n'est pas pratique d'utiliser des combustibles lourds, à cause de leur sensibilité à la température et, partant, des dépenses et problèmes nombreux qu'ils occassionnent. Les soutes de Norman Wells, qui ne peuvent servir que pour les lourds moteurs diesel à régime lent comme alimentation des chaudières à vapeur, doivent être chauffées d'avance pour donner une bonne combustion.

Subvention à la localité de Coppermine

L'exploitation de 1967–1968 n'a porté que sur cinq mois, soit de décembre 1967 à mars 1968 inclusivement. Au cours de cette période, les revenus provenant des ventes, au tarif de 12c.kWh, se sont élevés à $39,389, les dépenses ayant atteint $52,643. Le déficit de $13,254 a été comblé par le ministère des Affaires indiennes et du Nord canadien, par suite d'un accord à cet effet. Pour les douze mois de l'année 1968–1969, le déficit est estimé à $29,000.

OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL
CHAMBRE DES COMMUNES

Première session de la
vingt-huitième législature, 1968-1969

STANDING COMMITTEE
ON

INDIAN AFFAIRS
and
NORTHERN DEVELOPMENT

COMITÉ PERMANENT
DES

AFFAIRES INDIENNES
et du DÉVELOPPEMENT
du NORD CANADIEN

Chairman: IAN WATSON

Président

MINUTES OF PROCEEDINGS
AND EVIDENCE

PROCÈS-VERBAUX ET
TÉMOIGNAGES

No. 14

TUESDAY, MARCH 11, 1969

LE MARDI 11 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates

Concernant

Le budget des dépenses des affaires indiennes et du Nord canadien

WITNESSES AND PAPERS

(See Minutes of Proceedings)

TÉMOINS ET PIÈCES

(Voir Procès-verbaux)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL
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STANDING COMMITTEE
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INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT
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AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS
AND EVIDENCE

PROCÈS-VERBAUX ET
TÉMOIGNAGES

No. 14

TUESDAY, MARCH 18, 1969

LE MARDI 18 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29976—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*
Vice-Chairman Mr. Paul St-Pierre *Vice-Président*

and Messrs. et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—20.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

(*Text*)

TUESDAY, March 18, 1969.
(15)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), and Watson (16).

Witnesses: Dr. D. W. Carr of D. Wm. Carr and Associates Ltd.; Professor F. W. Anderson, Chairman of the Department of Economics, University of Saskatchewan, Regina.

The Committee continued consideration of Item L85—Advances to the Northern Canada Power Commission—of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 which had been called so as to allow the Committee to consider the question of Electric Power in the North as agreed by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses and after each had made a statement, they were questioned. On the completion of the questioning, the Chairman and members of the Committee thanked the witnesses.

At 1:00 p.m., on motion of Mr. Cullen, it was

Agreed,—That the Committee adjourn to Thursday, March 20, 1969.

PROCÈS-VERBAL

(*Traduction*)

Le MARDI 18 mars 1969.
(15)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Ian Watson.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Watson—(16).

Témoins: M. D. W. Carr, de la *D. Wm. Carr and Associates Ltd.*, et le professeur F. W. Anderson, chef du département d'économie, Université de la Saskatchewan, Regina.

Le Comité poursuit l'examen du crédit L85—Avances à la Commission d'énergie du Nord canadien—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970, crédit qui avait été mis en délibération afin de permettre au Comité d'étudier la question de l'énergie électrique dans le Nord, comme le Comité a convenu le lundi 10 mars 1969.

Le président présente les témoins, qui, après avoir fait chacun une déclaration, le président et les membres du Comité remercient les témoins.

A 1 h. de l'après-midi, sur la proposition de M. Cullen,

Il est convenu—Que le Comité s'ajourne jusqu'au jeudi 20 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

29976—1½

TUESDAY, March 18, 1969.

(15)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Boyer, Cullen, Deakon, Marchand (Kamloops-Cariboo), Nielsen, O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (Battleford-Kindersley), and Watson (16).

Witnesses: Dr. D. W. Carr of D. Wm. Carr and Associates Ltd.; Professor F. W. Anderson, Chairman of the Department of Economics, University of Saskatchewan, Regina.

The Committee continued consideration of Item 1.85—Advances to the Northern Canada Power Commission—of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 which had been called so as to allow the Committee to consider the question of Electric Power in the North as agreed by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses and after each had made a statement, they were questioned. On the completion of the questioning, the Chairman and members of the Committee thanked the witnesses.

At 1:00 p.m., on motion of Mr. Cullen, it was

Agreed,—That the Committee adjourn to Thursday, March 20, 1969.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday 18 March 1969

• 1110

[*Texte*]

The Chairman: We are pleased to have with us today Dr. D. W. Carr, who is the author of the Carr Report on the Yukon. There are copies of the report at the back of the room if any of you wish them. We are also pleased to have with us today Professor Fred Anderson who is a member of the staff of the Carr Commission and who is also prepared to give us some testimony.

Without any further introduction I will ask Dr. Carr to perhaps summarize. Dr. Carr, as you were with the Committee at the last meeting you know the areas that we were touching on, so perhaps you could concentrate on those areas.

Dr. D. W. Carr (Dr. D. William Carr and Associates): Thank you, Mr. Chairman. I want to say, first of all, that we are pleased to meet with you here and we will be honoured if we can assist you in any way, Mr. Chairman. We presume, Professor Anderson and myself, that we have been invited to come before this Committee in connection with our studies of the Yukon, primarily, with particular attention to power.

I might say that Professor Anderson and I were joint authors of the main report and he has assisted in a great many ways. Professor Anderson is Chairman of the Department of Economics and Associate Dean of Arts at the University of Saskatchewan in Regina. While he was on sabbatical leave last year he acted as a special consultant with us on this study. He was also Director of Research, you may recall, for the MacPherson Royal Commission on Transportation. Transportation, power and related services have been a special field of study for Professor Anderson.

Perhaps it would be most helpful to you if we provided a little perspective on the background of the Yukon study for the discussion of this aspect. The Yukon economic studies were sponsored jointly by the Department of Indian Affairs and Northern Development and the Government of the Yukon Territory. There were 14 background studies prepared in addition to the final report which, I believe, already has been distributed to members and of which there are copies avail-

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 18 mars 1969

[*Interprétation*]

Le président: Nous avons l'honneur aujourd'hui d'avoir le docteur D. W. Carr, qui est l'auteur du Rapport Carr sur le Yukon. Il y a des exemplaires de ce rapport à l'arrière, si vous voulez en avoir. Nous avons aussi l'honneur d'avoir comme témoin le professeur Fred. Anderson qui est membre du personnel de la Commission Carr et qui est aussi prêt à témoigner ce matin.

Je n'ai pas d'autres présentations à vous faire. Je demanderais au docteur Carr de bien résumer. Vous étiez avec le comité la dernière fois. Peut-être que vous pourriez reprendre le sujet où nous l'avons laissé et vous en tenir à cela.

M. D. W. Carr (Dr. D. William Carr and Associates): Merci beaucoup, monsieur le président. J'aimerais dire d'abord que nous sommes heureux d'être ici ce matin. Nous espérons vous être utiles de quelque façon, monsieur le président. Nous supposons, le professeur Anderson et moi-même, que nous avon été invités au sujet de nos études sur le Yukon, surtout au sujet de l'énergie électrique.

Je dois ajouter que le professeur Anderson et moi-même avons contribué au rapport principal, et lui-même m'a beaucoup aidé. Il est directeur du Département de l'économique et vice-doyen de la Faculté des Arts à l'université de la Saskatchewan, à Régina. Lorsqu'il était en congé d'étude, l'année dernière, il a été conseiller spécial au sein de notre Commission d'enquête. Il a aussi été directeur de la recherche avec la Commission royale d'enquête MacPherson sur les Transports. Les études du professeur Anderson portent surtout sur les transports, l'énergie et les services connexes.

Peut-être serait-il utile que nous vous donnions un aperçu de l'historique de l'étude sur le Yukon, avant de passer à la discussion qui nous intéresse. Cette étude économique était sous les auspices conjointes du ministère des Affaires indiennes et du Nord canadien et du gouvernement du Yukon. On a préparé 14 études de références en plus du rapport définitif, qui a déjà été distribué, je crois, aux députés et dont il y a des exemplaires ici. Le premier volume constitue un résumé du

[*Text*]

able. Volume I is the summary report and the report that was prepared, particularly, for distribution.

In these studies of the Yukon our concern was primarily with economic development and with the public and private investment necessary to promote sound economic development. The Yukon is presently at a rather unique stage for economic development and I just might point out a few of these facets or considerations in this stage of development.

• 1115

First of all, the Yukon economy has been brought to a new plateau in economic potential by initial public expenditures for roads and other improvements including power.

Secondly, new mineral technologies as well as the discovery of new ore bodies in the Yukon combined to offer a new development potential. I might say that one of the new mineral technologies was the flotation process which enabled minerals to be concentrated by a flotation process when the percentage of minerals was still quite low.

Thirdly, effective economic development of the Yukon would have to recognize that in the Northern territories there are now two economic regions with boundaries that are not closely related to the present political boundaries. I might just suggest on the map here what these boundaries are. The economic boundary might be roughly at the 110th meridian here and comprehend the Yukon and this part of the Mackenzie District. This is the area where almost 90 per cent—I believe it is 85 per cent—of the population lives and almost all of the mineral resources and such are in this region. For this purpose our consideration was of the Yukon as a part of this region which comprehended Northern Alberta and British Columbia, Eastern Alaska and the Western part of the Mackenzie District.

You can see that this does not necessarily follow the political boundaries. As you may know, the boundary between the Yukon and the Northwest Territories was drawn in 1896 at a time when they wanted to establish quite immediately an administrative unit to take care of the developing Klondike goldrush. The Klondike goldrush did not start until 1897, but the indications were in 1896 that the mineral development would require such a boundary, so it follows the height of land

[*Interpretation*]

rapport et a été préparé exprès pour des fins de diffusion.

Dans cette étude portant sur le Yukon, nous nous sommes intéressés surtout à l'expansion économique et à l'investissement public et privé nécessaire pour promouvoir l'expansion économique de ce secteur. Le Yukon, à l'heure actuelle, est à un stade unique d'expansion économique, et je devrais signaler quelques-uns des aspects du stade actuel de développement.

En premier lieu, le Yukon a atteint un nouveau plateau de potentiel économique grâce aux dépenses du secteur public dans le domaine de la voierie, et en vue d'autres améliorations, y compris le domaine de l'énergie.

Deuxièmement, de nouvelles techniques d'extraction ont été mises au point, et on a découvert de nouveaux gisements au Yukon. Tout cela constitue un nouveau potentiel économique pour ce secteur. Je devrais dire que l'une des nouvelles découvertes technologiques a été le procédé de flottation. Cette méthode nous a permis de concentrer le minerai, dans les cas où le pourcentage de minerai était déjà très bas.

Pour réaliser une expansion économique au Yukon, on doit reconnaître que dans les territoires du nord, il y a deux régions économiques dont les frontières ne sont pas reliées très étroitement aux frontières politiques. Par exemple, sur la carte, je puis indiquer ces frontières... La frontière économique se trouverait ici, grosso modo, et comprendrait le Yukon et cette partie du district de MacKenzie. Voilà la région où presque 85 ou 90 p. 100 de la population se trouve concentrée, et la plupart des ressources minérales et autres se trouvent dans ce secteur. Pour cette fin, notre étude portait sur le Yukon en tant que partie de ce secteur, comprenant le Nord de l'Alberta et la Colombie-Britannique, l'est de l'Alaska et la partie occidentale du district de MacKenzie.

On constatera que cela ne correspond pas nécessairement aux frontières politiques. La frontière entre le Yukon et les territoires du Nord-Ouest a été établie en 1896 alors qu'on voulait établir immédiatement une unité administrative pour s'occuper de la ruée naissante vers l'or du Klondyke. Cette ruée n'a commencé qu'en 1897, mais on a établi que la découverte de minerai en 1896, nécessiterait une telle frontière qui suit les hautes terres entre les deux bassins, celui du MacKenzie et

[*Texte*]

between the two river basins of the Mackenzie and the Yukon and has little relation to economic considerations.

The fourth point on this is that effective economic development of the Yukon potential would be enhanced by a systematic and co-ordinated development approach. For many years we have been faced with an ad hoc approach—a special case—when something was needed it was considered on its separate merits.

However, the Yukon is now at a stage where perhaps the only effective kind of development must be a co-ordinated approach of a great many services and developed with progressive planning that will ensure they will be available when required.

The fifth point is that the potential for economic development in the Yukon is quite substantial. We have estimated it will rise from about $40 million to $50 million in gross output in 1967 to perhaps $470 million by 1985. This would involve a gross total increase over these 18 years of about $3.8 billion. Perhaps this is a sufficient increase to warrant a fairly substantial public and private investment in its development. That is a very substantial potential and it will require very large investment to bring it about. Our estimate was that it would require $8 to $9 million of public investment and $4 million to $5 million of private investment.

• 1120

At the same time, and this is the last point in this group of points respecting development in the Yukon, investment in these services, public or private, will not ensure a continuity of economic development in the Yukon, primarily because in this economy they are so dependent on minerals and other nonrenewable resources for their economic development.

This applies in the whole northwest region of Canada. As a consequence the potential stability and continuity of these economies and this region must always be in doubt. This is a very important consideration in terms of public versus private investment. That gives some of the special features about or considerations in regard to Yukon economic development.

There are many others that might be mentioned, but we will not go into that much detail here.

In addition to these economic considerations there is, however, an important political factor to be considered; that is, if Canada is to maintain effective sovereignty in the North

[*Interprétation*]

du Yukon, et qui n'a aucun rapport avec les facteurs d'ordre économique.

Quatrièmement, l'expansion économique efficace du potentiel du Yukon sera facilitée par une approche systématique et coordonnée. Depuis des années, nous avons dû utiliser une méthode spéciale. Lorsqu'il y a un besoin spécial à satisfaire, chaque cas est étudié en particulier.

Le Yukon est maintenant rendu à un stade où la seule expansion efficace doit être faite au moyen de services nombreux et coordonnés et réalisée grâce à une planification progressive qui en assurera la disponibilité lorsque nécessaire.

Cinquièmement, le potentiel économique du Yukon est très grand. Nous avons estimé qu'il grimpera de 40 ou 50 millions de production en 1967 à peut-être 425 millions vers les 1985, ce qui voudrait dire, en 18 ans, une augmentation de 3.8 billions de dollars. C'est une hausse qui justifie un gros investissement de la part des secteurs publics et privés. Voilà un potentiel très appréciable dont l'exploitation exigera un fort investissement. Nous avons estimé qu'il faudra 8 ou 9 millions d'investissements du secteur public et 4 ou 5 du secteur privé.

En même temps, et c'est la dernière question que je veux soulever à propos du développement du Yukon, l'investissement public ou privé dans ces services n'assureront pas la continuité de l'expansion économique du Yukon, surtout parce que, dans cette économie, tout dépend des minerais et autres ressources non renouvelables, pour son expansion économique.

Cela s'applique à toute la région nord-ouest du Canada. Par conséquent, la stabilité potentielle et la continuité de ces économies et de cette région doit toujours rester plus ou moins douteuse. Voilà un facteur très important pour ce qui est de l'investissement tant public que privé. Voilà les points saillants des facteurs relatifs à l'expansion économique du Yukon.

Il y en a bien d'autres, sûrement, qu'on pourrait mentionner, mais nous n'entrerons pas dans les détails aujourd'hui.

A part ces éléments économiques, il y a aussi un important facteur politique qu'on doit prendre en considération, c'est-à-dire si le Canada doit conserver une véritable souve-

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it will be necessary to expand permanent transportation, power, administrative and other services in the North. This, I think, has been emphatically brought home to us in recent weeks by the plan of the *S.S. Manhattan* voyage into the Arctic project and by persistent support by the U.S. financed Arctic Institute for development in the North.

Thus, Canada is going to be forced to strengthen her public services, including power services in the North, if she wishes to maintain her authority there. This extension of services applies to the Yukon, especially to the northern Yukon. I am speaking of the special services required for sovereignty, for maintaining authority. It applies in particular to the northern Yukon and to most of the Northwest Territories.

With this background, let me point out several features of the Yukon studies. They were concerned first of all with economic development and the most effective way of getting that economic development including both private and public investment. We have dealt with power in three separate places. First of all, we had a background study prepared by CBA Engineering Ltd., of Vancouver as a background for our approach. This was primarily a descriptive study of the present situation.

Second, in the report are two chapters. Chapter 8 where we dealt with the alternatives choices in terms of types of power: thermo power, hydro power, nuclear power and so on. Chapter 8 includes the recommendations for improving and developing the power resources and the power services in the Yukon.

The second chapter is Chapter 15. I might say that in Chapter 15 Professor Anderson dealt with the economic and public issues concerned with providing these basic services of power and transportation. I might also say that I wrote most of Chapter 8, and Professor Anderson wrote Chapter 15 but I think we would stand together behind both chapters.

• 1125

In these studies we were not concerned with advocating private power or public power and we are not concerned with it here. It may be obvious from the report that we are protagonists of neither private nor public power; neither Northern Canada Power Commission nor Yukon Electrical Company, but rather we are protagonists of the services necessary for economic development. If these

[*Interpretation*]

raineté dans le Grand Nord, il est nécessaire qu'il donne de l'expansion à ses services de transport, d'administration, d'électricité, etc. dans le Grand Nord. Voilà justement ce que l'on a souligné, ces dernières semaines, après le voyage du S.S. *Manhattan* dans l'Arctique, et l'appui constant de l'*Arctic Institute*, des États-Unis, pour le développement du Grand Nord.

Le Canada sera donc obligé de renforcer ses services publics, y compris ses services d'électricité dans le Grand Nord, s'il veut maintenir son autorité dans ce secteur. Cette extension des services s'applique au Yukon, surtout dans la partie nord. Je parle des services spéciaux requis pour le maintien de la souveraineté, de l'autorité. Cela s'applique en particulier à la partie nord du Yukon, et à la plupart des Territoires du Nord-Ouest.

Avec ces renseignements, permettez-moi de souligner quelques aspects saillants de notre étude du Yukon. Elle porte avant tout sur l'expansion économique et le meilleur moyen de la promouvoir, notamment les investissements publics et privés. Nous avons traité de l'électricité à trois différents endroits. Premièrement, nous avons fait effectuer une étude préliminaire par la CBA Engineering Ltd., de Vancouver, étude qui nous a servi de documentation. Il s'agissait surtout d'une étude descriptive de la situation actuelle.

Deuxièmement, le rapport compte deux chapitres. Il y a le chapitre 8 où nous avons parlé des options quant au genre de service d'électricité: énergie hydraulique, énergie thermique, énergie nucléaire, etc. Ce chapitre 8 comporte des recommandations pour l'amélioration et la mise en valeur des ressources hydrauliques et des services d'électricité au Yukon.

Le deuxième chapitre est le chapitre 15. Je dois dire que dans le chapitre 15, le professeur Anderson a parlé de l'aspect économique de la fourniture des services fondamentaux, c'est-à-dire l'électricité et les transports. Je devrais aussi ajouter que j'ai écrit la majorité du chapitre 8, et que le professeur Anderson a écrit le chapitre 15. Mais je crois que, tous deux, nous appuyons ces deux chapitres.

Dans ces études, ce qui nous intéressait ce n'était pas de préconiser le pouvoir public ou privé, ce n'est pas notre objet. Il ressort de notre rapport que nous ne préconisons ni l'un, ni l'autre, ni la Commission d'énergie du Nord canadien, ni la Yukon Electrical Company. Nous préconisons surtout les services nécessaires à l'expansion économique. Si ces services exigent beaucoup de participation

[*Texte*]

services require much public participation it is because of the particular nature of the development problems in the Yukon and the North.

We are concerned with taking into account all the facets of Yukon economic development and appraising them in terms of the economic advantage to both the people of the Yukon and the people of Canada as a whole. If Canada as a whole has financed much of the investment in the North then Canada as a whole should be given some consideration in the benefits.

It is important also to recognize that electrical power alone is not the answer for economic development in the Yukon. Power is only one part of a whole range of services necessary for economic development and most of these services, roads, airfields, communications and such, must be provided by public funds.

Finally, we should be thinking of power being supplied at a cost of perhaps 6 to 10 mills rather than at a cost of 6 to 10 cents a kilowatt. Yet to provide power at these lower costs requires very large capital investments, although the Yukon will soon be ready for such a power supply. Such investments also require much co-ordinated development planning and for this we have recommended a special planning authority in our recommendations in volume one.

I would like to thank you for your attention. Professor Anderson has a few points to make on the approach to the supply of power and we will be most happy to answer any questions that you may have on the subject. Thank you.

The Chairman: Thank you very much Dr. Carr. Gentlemen, with your permission we will proceed now with the testimony from Professor Anderson and then we will ask questions.

Professor F. W. Anderson (University of Saskatchewan): Thank you, Mr. Chairman. What I have to say is in many respects generally applicable on the basis of economic principles, but it is particularly concerned with the studies that we did with the Yukon territory. I would not pretend that what we had to say about the Yukon and its need for power, transportation and other services can be universally applicable over the whole wide range of the Northwest Territories where the political considerations of sovereignty as well as economic development may indeed, and I think will, call for policies quite different from those which are in my opinion now applicable in the Yukon.

[*Interprétation*]

publique, c'est surtout à cause du caractère particulier des problèmes de développement du Yukon et du Grand Nord.

Ce qui nous intéresse, c'est de tenir compte de tous les aspects de l'expansion économique du Yukon et de les évaluer en fonction des avantages économiques pour les habitants du Yukon et tous les Canadiens. Si le Canada a fait une grande partie des investissements dans le Grand Nord, on doit alors en tenir compte quant aux avantages qui en résulteront.

Il importe aussi de reconnaître que l'énergie électrique seule ne peut contribuer au développement économique du Yukon. Elle n'est qu'un élément des services nécessaires à l'expansion économique, dont la plupart, c'est-à-dire les routes, les aéroports, les communications, doivent être fournis grâce à des fonds publics.

Enfin, il faudrait que l'électricité soit fournie à un coût de peut-être 6 à 10 millièmes, plutôt qu'à un coût de 6 à 10 cents le kilowatt. Mais pour fournir l'électricité à un prix aussi modique, il faut un investissement de capital très élevé, quoique le Yukon sera bientôt prêt à recevoir un tel service. Il faudra aussi une planification coordonnée du développement et pour cela, nous avons recommandé, dans le volume un, un pouvoir spécial de planification.

Je vous remercie de votre attention. Je sais que le professeur Anderson a aussi certaines observations à faire au sujet du problème de la fourniture d'électricité, et tous deux, nous serons très heureux de répondre à toutes vos questions à ce sujet. Je vous remercie.

Le président: Merci beaucoup, docteur Carr. Avec votre permission, messieurs, nous allons maintenant écouter le témoignage du professeur Anderson, et passer ensuite aux questions.

Le professeur F. W. Anderson (Université de la Saskatchewan): Merci, monsieur le président. Ce que j'ai à vous dire s'applique, à bien des égards, en vertu de principes économiques, mais a trait plus particulièrement aux études que nous avons faites dans le territoire du Yukon. Je ne prétends pas que ce que nous avons à dire à l'égard du Yukon, soit ses besoins en matière d'énergie, de transport et autres services, peut s'appliquer à l'ensemble des Territoires du Nord-Ouest, où les considérations d'ordre politique sur la souveraineté, de même que le développement économique, peuvent exiger, et exigeront en fait, des lignes de conduite bien différentes de celles qui, à mon avis, peuvent actuellement s'appliquer au Yukon.

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It would seem to me, to emphasize a little point made by Dr. Carr, that the eastern Arctic and the high Arctic will for some time be an administrative and political concern of Canada. When economic development does occur there, when minerals are discovered, when oil is discovered, whatever the resource base should be, I submit that the developmental direction will be quite different from that which will occur—whether we do anything about planning or not—in the Yukon.

• 1130

The Yukon in my considered opinion now is not really Canada's North. The Yukon is much more logically an extension of the moving frontier of development in northern Alberta and northern British Columbia.

It is ready to be brought within the orbit of development we have seen and experienced in many parts of our northern frontier in the last 20 years, and it is ready now to become much more closely integrated into the mainstream of Canadian economic growth.

I reiterate that the eastern and high Arctic are quite different. These studies undertaken under certain limitations of time and budget dealt particularly with extant reports and knowledge as well as some supplementary studies which were undertaken as Dr. Carr has outlined. The projections which we have used are based on the presence, particularly, of power and transport, but in addition to those two services the existence of the whole multifaceted set of institutions and services we lump under the term infrastructure. We, in more developed parts of Canada, benefit from an infrastructure which is so pervasive and so diverse that we are often guilty of forgetting the contribution of the infrastructure to economic development. The projections that we have made are based upon the existence of at least the basic kinds of infrastructure necessary for the primary industries, the secondary and tertiary service industries that we have come to associate with maturing economic development.

Within this infrastructure power is a necessary condition, but to echo Dr. Carr again, it is not a sufficient condition for development. The existence of power at competitive rates in the Yukon or in any other part of the country in itself is not sufficient to ensure development. I want to say, particularly in this Committee because of your wider interests in northern development, that power is considered as just one part and an important

[*Interpretation*]

Il me semble que, pour reprendre un point soulevé par le Dr Carr, l'Arctique de l'Est et les régions circumpolaires, pendant un certain temps, seront une préoccupation d'ordre administratif et politique pour le Canada. Lorsque le développement économique se produira, lorsque nous découvrirons des minéraux, ou du pétrole, quelles que soient les autres ressources qui s'y trouveront, l'orientation du développement sera bien différente de celle qui se produira alors, que l'on fasse quelque chose, ou non, quant à la planification, au Yukon.

Donc, le Yukon, à mon avis, n'est pas vraiment le Nord du Canada. Le Yukon est beaucoup plus l'extension de la frontière variable du développement du Nord de l'Alberta et de la Colombie-Britannique.

Elle doit être mise dans l'ensemble du développement que nous avons vu et expérimenté dans plusieurs parties de la frontière du Nord au cours des vingt dernières années, et on peut maintenant l'intégrer beaucoup plus étroitement aux grands courants de la croissance économique du Canada.

Je répète donc que l'Est de l'Arctique et les régions circumpolaires sont bien différents. Les études faites dans ces limites de temps et les limites budgétaires traitent plus particulièrement de rapports et de connaissances existants ainsi que d'autres études que le docteur Carr a résumé. Les extrapolations que nous avons utilisées sont fondées sur la présence, en particulier, de l'énergie et du transport, mais en plus de ces deux services, de l'existence même de tout cet ensemble de services et d'institutions que nous groupons sous infrastructure. Dans les régions plus développées du Canada, nous avons une infrastructure tellement étendue et diversifiée, que bien souvent nous oublions l'apport de cette infrastructure au développement économique. Les extrapolations que nous avons sont fondées sur l'existence de ces infrastructures essentielles aux industries primaires, et les industries secondaires et tertiaires de service, que nous rattachons habituellement à un développement économique en pleine maturité.

Au sein même de cette infrastructure, l'énergie est un élément essentiel, mais pour me faire le porte-parole du docteur Carr une fois de plus, ce n'est pas une condition suffisante pour assurer le développement. Le fait d'avoir de l'énergie à un tarif concurrentiel au Yukon ou dans n'importe quel autre région du pays, n'est pas, en soi, suffisant pour assurer ce développement. Je veux dire, plus particulièrement à ce Comité, vu l'intérêt que vous

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part of this infrastructure development needed for growth.

In creating an infrastructure a society will provide privately or publicly certain kinds of services which will never have any direct return. We ordinarily think of providing these services—schools, hospitals, drains, civic administration and amenities of all kinds—on humanitarian grounds and this is valid, but there is also an economic rationale for the provision of such services; that without these services development by capital working with people does not take place or takes place under very difficult situations.

Those of you who have experience in the North have seen the kinds of difficulties which attend the thinness of the service infrastructure, so my first point, then, is there are many aspects of the infrastructure which do not yield any direct return, but to the extent that they enhance opportunities for development, for the gaining of income, quite apart from the humanitarian reasons, they do yield returns to the economy.

• 1135

There are some parts of the infrastructure which can be made to yield a partially direct return. For example, certain services may have a charge associated with them and in the bookkeeping sense the charge associated with the service yields some kind of direct return to whoever provides the services, public, private or whoever it is, but even though there is a partially direct return, the indirect returns throughout the society that we are talking about are still present so that the society, the culture, the economy, if you like, does gain benefits which may be greater than the direct return which can be charged for the service.

It is the submission of our report that in a developing area transportation and power fall within this category; that there are benefits to the economy from the provision of power at competitive rates—the competitive rate compared to some other developmental areas, say, in Canada, not necessarily the same rate. Competitive does not mean the same, as I am sure you realize, it means a rate which taken together with all of the other mix of costs permits development to go ahead—which become then a yielder of private investment which yields in its turn incomes and employ-

[*Interprétation*]

portez au développement du Nord, que l'énergie est considérée simplement comme un élément, un élément important du développement de l'infrastructure nécessaire à l'expansion.

En constituant cette infrastructure, la société assure certains services privés au public qui n'auront jamais vraiment de rendements directs. On songe habituellement à assurer ces services, écoles, hôpitaux, égouts, administration civique, et autres services du genre, simplement pour des motifs humains, ce qui est tout à fait valable, mais il y a aussi les motifs économiques pour lesquels on assure ces services. C'est que sans ces services, le développement assuré par les capitaux de concert avec l'élément humain ne se produit pas ou se fait simplement dans des situations bien difficiles.

Ceux d'entre vous qui êtes allés dans le Nord se sont rendu compte des difficultés qui se présentent avec cette infrastructure de services plutôt mince. Mon premier point est donc qu'il y a bon nombre d'aspects de cette infrastructure qui ne donnent pas de rendements directs, mais dans la mesure où ils multiplient le nombre d'emplois, et les occasions d'obtenir un revenu, en plus de ces motifs humanitaires, ils apportent toujours un rendement à l'économie.

Il y a certaines parties de l'infrastructure qui peuvent donner un rendement partiellement direct. Certains services peuvent comporter des frais et en termes de comptabilité, les frais donnent un rendement direct à quiconque offre le service, le secteur public ou privé, mais même s'il y a un rendement direct partiel, les effets indirects sur la société dont nous parlons existent toujours de sorte que la société, la culture, l'économie, si vous voulez, en bénéficie peut-être plus que par les rendements directs qu'on peut réclamer pour le service.

Dans le rapport que nous avons préparé, nous prétendons que dans une région en voie de développement, le transport et l'énergie se trouvent dans cette catégorie. Il y a des bénéfices pour l'économie à fournir de l'énergie à un tarif concurrentiel, c'est-à-dire le taux concurrentiel comparativement à d'autres régions du Canada, et pas nécessairement le même taux. Le taux concurrentiel ne veut pas nécessairement dire un taux analogue mais un taux qui, en tenant compte de tous les autres coûts et éléments, permet le développement, qui engendre alors des bénéfices sur

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ment opportunities which may be larger than the actual charge for the power.

I now come to what I really regard as the crux of my remarks to the Committee, Mr. Chairman, that in the jargon of economics there are multiplier effects from certain kinds of economic activity. Power, since that is our main concern, will be the example. If, indeed, the providers of power insist, either by public policy or by private requirements, that their full costs will be recovered directly from the provision of the service—this is the legitimate calculus of the private sector, no argument about that and no complaint—but if the charge has to cover as the economy develops the full costs—recover directly from the users—associated with the provision, then I submit the charges are apt to be at a level higher than necessary to encourage optimum rates of development, that is the charge will be higher than a competitive rate where the consumption is much greater. In engineering terms and in economic terms these are sometimes referred to as the economies of scale.

Now, the economies of scale deal not with a pricing phenomenon, but with a cost phenomenon. As you produce more units of power from large installations the unit costs of power fall. Never mind what the price is, the cost of producing them will fall and I am sure you are all aware of this very simple economic example.

However, there economies of sale as well as economies of scale and the private calculus necessary to get an adequate return for private investment can only look at the direct return, that is the returns from the sale of the unit, whereas the total economy gets advantages or gains from the provision of power at competitive rates a multiple effect of this in enhanced incomes, enhanced employment opportunities, the installation of secondary, tertiary and service industries through this competitive pricing. I suppose in the private calculus what it means is the public sector can recoup through higher personal income taxes, through higher corporate profit taxes, through royalty imposts and a whole range of ways, investment costs for the provision of essential services.

[*Interpretation*]

les investissements du secteur privé qui, en retour, créent des emplois ou des revenus qui sont peut-être plus grands que les frais réclamés pour le service.

Et j'en arrive maintenant au point essentiel de mes remarques à ce comité, monsieur le président, c'est que dans le jargon économique, il y a des effets multiplicateurs qui découlent de certains genres d'activités d'ordre économique. L'énergie sera notre exemple vu que c'est là notre principale préoccupation. Si vraiment ceux qui fournissent cette énergie, soit en vertu d'une politique officielle, soit à cause des exigences privées, insistent pour que l'ensemble des immobilisations soient récupérés directement de l'utilisation de ce service et, c'est là le calcul légitime du secteur privé, sans arguments et sans plaintes, mais si, au fur et à mesure que l'économie se développe, le taux doit s'étendre à l'ensemble des frais, les récupérer directement des utilisateurs, tous les frais qui découlent du service, alors selon moi, les frais seront plus élevés que nécessaire pour encourager un taux optimal de développement, c'est-à-dire que le taux sera plus élevé qu'un taux concurrentiel si la consommation est beaucoup plus forte. C'est ce que, en termes techniques ou économique on qualifie souvent d'économie d'échelle.

Cette économie d'échelle n'a pas trait à un phénomène de prix, mais de coût. Au fur et à mesure que vous augmentez le nombre d'unités d'énergie produite dans de grandes centrales, le coût par unité d'énergie baisse. Quel qu'en soit le prix, le coût de production baisse. Je suis certain que vous savez tous ce principe économique très simple.

Mais il y a des économies de vente tout aussi bien que des économies d'échelle. Le calcul privé nécessaire pour obtenir un rendement adéquat d'un investissement privé ne peut que considérer le rendement direct provenant de la vente de cette unité, alors que l'ensemble de l'économie bénéficie de la mise sur pied d'un service d'énergie a un taux concurrentiel, et les effets multiplicateurs de cela sont d'accroître les revenus, le nombre d'emplois, et les installations des industries de services secondaires et tertiaires, à la suite des prix concurrentiels. J'imagine que ce que cela signifie dans le calcul privé, c'est que le secteur public peut récupérer par des impôts plus élevés sur le revenu des particuliers, sur le revenu des corporations, les droits d'auteur, et enfin toute cette gamme de possibilités qui permet au secteur public de récupérer ses frais d'immobilisations pour un service essentiel.

[*Texte*]

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You do not recoup them in the Yukon. You do not recoup them in any particular area of the country and particularly not in extractive areas. Where Canada as a whole and the public accounts recoup these kinds of investment expenditures is in higher corporation taxes, higher personal taxes in Ontario, in Quebec, in British Columbia, wherever the spillover from development of the North comes to rest and here I would like to draw a distinction between development in the north and development of the North. Our report has been particularly and primarily concerned with development "of" the North, not development "in" the North.

We have taken this position because development "in" the Yukon depends upon development "of" the Yukon. It would be possible to go ahead with a whole range of public welfare policies to develop the Yukon without in effect developing development "of" it.

This is in a very small measure what our public policies have been up until now. We have had welfare services, we have had a whole range of provision of services which have had the effect of development "in" the Yukon, but they have not been development "of" the Yukon. It is our position taken here that Canada in her over-all interest may choose to encourage the development "of" the Yukon, which will, incidentally, have a signi:ficant influence on the development "in" the Yukon.

I should like to conclude my remarks Mr. Chairman, by saying that this is in no sense a comparative study. We have not said here Canada ought to develop the Yukon ahead of developmental programs anywhere else. We do not know that. This study did not go into the pay-out in development in the Yukon as against pay-out, say, in developing northern Ontario, or Labrador or some other place. This simply was not in our terms of reference.

I do not know whether the benefits which will come to the whole of Canada from the development of the Yukon will be greater than from similar sums of money spent somewhere else. All we have attempted to do in this report is to say, if Canada wants to develop the Yukon, this is what we think the potential is if this kind of seed investment takes place.

Now perhaps, Mr. Chairman, some of the members will have been disappointed that I

[*Interprétation*]

On ne peut pas les récupérer au Yukon ni dans une région donnée du pays et surtout pas dans une région minière. Le Canada dans son ensemble et les comptes publics se trouvent à récupérer ce genre d'immobilisations par des impôts plus élevés sur le revenu des particuliers et des corporations, en Ontario, au Québec, en Colombie-Britannique, là où le développement du Nord produit des effets secondaires. Je voudrais ici faire une distinction entre le développement dans le Nord et le développement du Nord. Notre rapport touche surtout et principalement au développement «du» Nord et non pas au développement «dans» le Nord.

Nous avons établi une telle ligne de conduite parce que le développement au Yukon dépend du développement du Yukon. Il serait possible d'avoir tout un ensemble de politiques de bien-être social pour développer le Yukon sans de fait, en accroître le développement.

C'est, dans une très faible mesure, ce dont nos politiques officielles ont été capables jusqu'à maintenant. Nous avons eu des services de bien-être social, nous avons eu toute une gamme de services qui ont eu un effet de développement «dans» le Yukon, et non pas «du» Yukon. Et ici nous maintenons que le Canada, dans son intérêt général, peut décider d'encourager le développement «du» Yukon, ce qui, incidemment, aura une influence marquante sur le développement «dans» le Yukon.

Je voudrais terminer mes observations, monsieur le président, en vous disant que ce n'est pas du tout une étude comparative que nous avons faite. Nous n'avons pas déclaré ici que le Canada devrait développer le Yukon avant la mise au point de programmes de développement ailleurs. Nous ne connaissons pas cela. Cette étude n'a pas étudié cet aspect des avantages que découleraient du développement dans le Yukon en comparaison, disons, du développement du nord de l'Ontario, du Labrador ou d'autres endroits. Cela ne faisait pas partie de nos attributions.

Je ne sais pas si les avantages que tirera l'ensemble du Canada du développement du Yukon seront plus grands que les résultats obtenus à la suite d'investissements ailleurs. Tout ce que nous disons dans ce rapport, c'est que si le Canada désire développer le Yukon, voilà, à notre avis, quelles sont ces possibilités si ce genre, si de tels investissements ont lieu.

Alors, monsieur le président, peut-être que certains de vos membres seront déçus du fait

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did not get into comparative rates for power and all the rest of it. I claim no particular competence in that.

My main point is that for certain kinds of basic services, public investment has a way of recouping the investment in indirect fashions which can never be tallied in the balance sheet but which are supported by modern economic theory wherever you turn.

The general enhancement of employment opportunities and rising incomes will assist not only the people who work in the Yukon, but everyone in Canada who has in any small way a role to play in the development of the Yukon will see his standard of living enhanced, will see his ability to pay higher taxes to the public revenues, higher imposed royalties or whatever it may be, enhanced.

It is for this reason, Mr. Chairman and gentlemen, that I have concluded, and Dr. Carr concurs, that in the provision of the basic services, such as power, public investment has a different kind of calculus than a private producer must of necessity adopt. Thank you for your patience.

The Chairman: Thank you very mush Professor Anderson. Mr. St. Pierre has indicated he has a question.

Mr. St. Pierre: Thank you, Mr. Chairman. I would like to congratulate these two witnesses, if I may, Mr. Chairman, on giving us a great deal of information in a very short time; very clear and lucid statements to me at least.

I would like to question Dr. Carr about one matter which he raised; that is the question of Arctic sovereignty. I judged from his remarks that he has same doubt that we have sufficiently established our sovereignty in the Arctic.

Dr. Carr: No. There are questions, as you are aware, involved in actions such as this *S. S. Manhattan* project. There are considerations there. No, I do not think so. I think we just simply have to keep moving in the direction of ensuring our sovereignty. I did not mention that the factors that tend to assist the encroachment on our sovereignty are improvements in transportation, air transport, undersea transport and various new developments in technology. We saw the evidence when the Ski-doos travelled to the North Pole. They were Canadian, but any other country could

[*Interpretation*]

que je n'ai pas parlé des taux comparatifs pour l'énergie et autres. Je ne suis pas qualifié pour le faire.

Voici la principale observation: c'est que pour certains genres de services fondamentaux, l'investissement du secteur public peut ainsi récupérer ses investissements de façons indirectes qu'on ne peut jamais contrôler dans le bilan, mais qui sont appuyées de tous côtés par des théories modernes d'ordre économique.

La multiplication des occasions d'emplois et l'augmentation des revenus aideront non pas simplement les personnes qui travaillent au Yukon, mais toutes les personnes qui, d'une façon ou d'une autre, au Canada, ont un rôle à jouer dans le développement du Yukon, verront, rehaussés leur niveau de vie, leurs possibilités de payer des impôts plus élevés au revenu public, des redevances plus élevées, ou que sais-je encore.

C'est pour cette raison, monsieur le président et messieurs, que j'ai conclu, et le docteur Carr est d'accord, que si on assure des services fondamentaux tel que celui de l'énergie, l'investissement du secteur public doit utiliser une méthode de calcul différente de celle que doit adopter, de toute nécessité, un investisseur du secteur privé. Merci beaucoup de votre attention.

Le président: Merci beaucoup, professeur Anderson. Monsieur St-Pierre aurait une question à poser?

M. St-Pierre: Merci, monsieur le président. Je voudrais féliciter ces deux témoins—si on veut bien me le permettre, monsieur le président—de nous avoir fourni en peu de temps un très grand nombre de renseignements, de déclarations très claires et très précises. Je voudrais poser une question à M. Carr sur un point dont il a parlé, soit la souveraineté dans l'Arctique. A la suite de ces observations, j'en conclus qu'il éprouve certains doutes quant à notre souveraineté dans l'Arctique.

M. Carr: Non. Comme vous le savez, il y a des questions impliquées dans certains actes comme ce projet *S.S. Manhattan*. Il y a là des choses à examiner. Non, je ne crois pas. Je pense plutôt qu'il faut toujours nous acheminer dans cette voie pour assurer cette souveraineté du Canada. Je n'ai pas parlé des facteurs qui peuvent aider à l'empiétement sur notre souveraineté, soit l'amélioration des services de transport, le transport aérien, le transport sous-marin et les diverses découvertes nouvelles en technologie. Nous en avons eu la preuve lorsque les motos-neige ont pu

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come in and do this and we might not even know it was being done.

In those vast spaces, it would not be difficult for other countries to set up study or research units here and there and eventually obtain squatter's rights and move on. The point I do make is that we must be more energetic and do more in terms of services for the North now than we used to have when it was so difficult to reach the North.

Mr. St. Pierre: There could be a threat to our sovereignty in future by other nations taking a sort of squatter's right on the lands?

Dr. Carr: These always raise questions unless the nation has established some surveillance that can prevent this.

Mr. St. Pierre: Now specifically on the *S. S. Manhattan* project...

The Chairman: Gentlemen, we are getting a little bit away from the hydro question in the Yukon. Mr. St. Pierre I just...

Mr. St. Pierre: Just one more question, and I will desist, Mr. Chairman, I know I am off the main subject. In your opinion, Dr. Carr, is it important for Canada to be represented in the *S. S. Manhattan* project?

Dr. Carr: I appreciate that I am speaking without adequate information on the territorial waters question, but if we wish to have headland to headland rights then I should think so.

Mr. St. Pierre: Thank you.

Mr. Cullen: The thing that concerns me about this area, Dr. Carr, you seemed to indicate you were not taking a stand on public versus private, yet I more or less glean from Professor Anderson that the tendency is to lean towards the public. I think you said the public involvement here has a different calculus. I would interpret that to mean the public investment here has an advantage. This seems to me to come out of the comments we have heard this morning. Am I interpreting you correctly on that Professor?

Professor Anderson: Yes, sir. The members are as aware as I am of the kinds of pricing policy which private investment must invoke in their responsibility to their investors. They

[*Interprétation*]

se rendre au pôle Nord—c'était des motos-neige de fabrication canadienne—et tout autre pays pourrait le faire, et ne nous en ferait sans doute pas part.

Avec ces grands espaces, il serait assez facile pour d'autres pays d'établir des installations d'études et de recherche ici et là et d'obtenir, éventuellement, des droits d'occupants. Mais, seulement, je dis qu'il nous faut faire preuve de plus d'énergie et faire beaucoup plus en fonction des services à assurer maintenant dans le Nord qu'on n'assurait pas lorsqu'il était si difficile d'avoir accès au Nord.

M. St-Pierre: Est-ce que d'autres nations pourraient menacer, disons, notre souveraineté en prenant une sorte de droit d'occupants?

M. Carr: Cela soulève toujours des questions à moins que la nation n'ait établi une certaine surveillance pour prévenir cela.

M. St-Pierre: Pour ce qui est du projet *S.S. Manhattan*...

Le président: On s'éloigne quelque peu de la question de l'énergie hydroélectrique au Yukon. Monsieur St-Pierre je...

M. St-Pierre: Une seule autre question, et je me désisterai, monsieur le président. Je sais que je me suis quelque peu éloigné du sujet principal. Mais pour ce qui est du projet Manhattan, à votre avis docteur Carr, il serait important que le Canada y soit représenté.

M. Carr: Je parle sans être vraiment bien renseigné sur la question des eaux territoriales, mais si nous voulons établir des droits de cap en cap, je pense que ce serait important.

M. St-Pierre: Merci beaucoup.

M. Cullen: Ce qui me préoccupe, monsieur Carr, c'est que vous semblez indiquer que vous n'avez pas pris position pour le secteur public contre le secteur privé. Mais, je crois saisir, d'après le professeur Anderson, que vous penchez plutôt vers le public. Je crois que vous avez dit que la participation publique ici représente une théorie bien différente. Alors, à mon avis, cela signifierait que de tels investissements présentent un avantage, d'après les commentaires que nous avons entendus ce matin. Est-ce que j'ai bien interprété vos paroles, professeur?

M. Anderson: Oui, monsieur. Les députés sont tout aussi bien renseignés que moi quant au genre de politique d'établissement des prix que le secteur privé de l'investissement se

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must secure through the life of the investment, and not delay the return too long, a return at least as good as that kind of investment could get in other endeavours.

Consequently, as the need for power develops, or the need for a system of power rather than simply individual plants supplying small—not necessarily small—individual mining operations or individual townsites, as long as that was the nature of the supply of power I doubt that I would have gone to the trouble to make this kind of a proposal.

I see no reason why, for instance, a mine which has its own townsite and is in relative isolation should necessarily have a public power diesel generator there. I just do not think that it matters that much. To that one industry, it is not anything like its most significant cost.

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I do not make an ideological issue for power on these grounds. However, where as I have suggested, the frontier is moving to the North with a whole range of kinds of activities which go with the moving frontier then the need soon arises—that is now in my opinion—for the beginnings of a grid system to economize on peaking capacity and the whole range of technical things which go with the provision of power to an economy in distinction to separate little economic activities. I am not suggesting that low priced power is in any respect a direct subsidy to the users of the power, but that the spillover effects of the kind of development which competitively priced power and other services yield is garnered by the nation as a whole.

This is the substance of my position and incidentally, to remind members of something that they, I am sure, know, the rationale of this kind of public posture is spreading wherever development spreads, for instance, Alaska.

There is not any question in Alaska about the provision of power. It is a public responsibility and moreover and incidentally, the power authority in Alaska has been given ways in which it becomes the guiding and driving force behind a great deal of economic activity, not that it takes part in it directly, but it has ways of stimulating this kind of thing.

Mr. Cullen: Perhaps your answer to my first question has answered my second ques-

[*Interpretation*]

doit d'invoquer à l'égard de ses responsabilités envers ses investisseurs. Ils doivent donc, tout au cours de la période de l'investissement, ne pas attendre trop longtemps pour que le rendement soit aussi bon que ce genre d'investissement pourrait obtenir dans d'autres cercles d'activité.

Donc, au fur et à mesure où le besoin d'énergie se présente, ou le besoin pour avoir un réseau d'énergie plutôt que simplement des usines individuelles pour approvisionner des exploitations minières individuelles ou des lotissements urbains individuels, aussi longtemps que c'était la nature de ce service de l'énergie, je doute fort que j'aurais fait de telles propositions.

Je ne vois pas pourquoi, par exemple, une mine qui a son propre lotissement urbain et qui se trouve assez isolée, se doive nécessairement d'avoir une génératrice diesel. Peu importe, je ne crois pas que ce soit si important. Pour cette industrie, ce n'est pas comparable à ses frais les plus importants.

Quant à l'énergie, je n'en fais pas, pour ces motifs une question sur le plan idéologique. Mais, lorsque la frontière se déplace de plus en plus vers le Nord avec toute cette gamme d'activités qui s'y rattache, le besoin se fait alors bientôt sentir—il se fait sentir maintenant, à mon avis—pour avoir un système de réseaux en vue d'économiser sur cette capacité et tous les aspects techniques rattachés à la fourniture d'énergie à une économie comparativement à des ilots d'activités économiques. Je ne dis pas que l'électricité à bas prix constitue un subside aux usagers, mais que les effets secondaires de ce développement qui résulte de prix compétitifs de l'électricité et d'autres services se trouvent à être un élément dont bénéficie tout l'ensemble de la population.

Voilà donc l'essentiel de ma ligne de conduite et aussi, pour rappeler aux honorables députés quelque chose dont ils sont vraiment au courant c'est-à-dire qu'une telle attitude de la part du public ce retrouve là où le développement se fait sentir, en Alaska par exemple.

On ne se pose pas de question à propos de ces services. C'est une responsabilité d'ordre public et de plus les responsables des services d'énergie en Alaska ont eu l'occasion de devenir la force de direction et d'orientation d'un grand nombre d'activités d'ordre économique non pas en vertu d'une participation directe, mais en encourageant de telles activités.

M. Cullen: En répondant à ma première question vous avez peut-être répondu à la

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tion, that the kind of industry or economy we have in the North is a kind of suicide-type economy. If you have a mine, you mine it, work it out—take the minerals out—and then it is a dead issue. You have been talking in figures of $8 million to $9 million public funds and $4 million to $5 million private funds. Now, what in your opinion as an economist comes first? Do we send the explorers, the miners and people like that in there first to determine where we are going to spend the money? How do we justify, for example, spending a fortune to help some miner in the northern part of the Yukon only to find that in 10 years' time or 25 years' time it has been mined out? What comes first, the chicken or the egg? In this sense which is the chicken?

Professor Anderson: Yes, I was about to ask if you could tell me which was the chicken. It is difficult to talk about the provision of power in isolation. If our minerals consultants had demonstrated to us a pattern of mineralization in the Yukon which was simply a series of widely spaced and discrete ore bodies, I suspect that a continuation of our present policies might be feasible. But, indeed, of course, we now have evidence of great belts of mineralization so that every single venture which begins with the assistance of transport, power or whatever has opened the prospect of a continuing developmental activity there for as far as we can see, even the world-wide increasing demand for the resources of the Yukon. These resources are becoming in short supply in other areas. I am not going to suggest that the minerals of the Yukon are just all that unique, but they could join in the world supplies given the cost structures which make them somewhat competitive.

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Mr. Nielsen: Mr. Chairman, I have a compelling appointment which is going to take me away from the meeting and I thought perhaps members might permit me to say very briefly that this report concerns itself with the Yukon—Professor Anderson has pointed that out—and not the North generally. I think that should be borne in mind throughout our questioning.

My second point is in the form of a question to either Dr. Carr or Professor Anderson. When the study was made by CBA of Vancouver, the engineering firm that was requested by the Commission to bring forward the basis upon which these recommendations largely were made, were either you, Dr. Carr, or Professor Anderson aware that no one, either from or on behalf of that firm,

[*Interprétation*]

deuxième, c'est-à-dire que le genre d'industrie ou d'économie qu'il y a dans le Grand nord est une économie-suicide. Lorsque vous avez une mine, vous l'exploitez à fond, en extrayez les minéraux et, lorsqu'ils sont épuisés, il ne reste plus rien. Huit à neuf millions d'investissements publics, et quatre à cinq millions d'investissements privés sont en cause. A titre d'économiste, selon vous, qu'est-ce qui doit venir en premier? Envoyons-nous d'abord prespecteurs et mineurs pour établir où nous allons investir? Comment justifier la dépense d'une fortune pour aider un mineur dans le nord du Yukon et pour découvrir 10 ou 25 ans plus tard que le secteur a déjà été exploité? Qu'est-ce qui vient en premier? La poule ou l'œuf? Et que faut-il considérer comme la poule?

M. Anderson: J'allais demander la même chose. Il est difficile de parler de la fourniture d'énergie électrique dans les secteurs isolés. Si nos experts-conseils en exploitation minière avaient pu nous prouver la présence d'un mode de minéralisation au Yukon, constitué d'une série de petits gisements séparés, je crois que nous pourrions poursuivre notre politique actuelle. Mais je crois savoir maintenant que nous avons la preuve de la présence de grandes zones de gisements, chaque entreprise mise en branle par une aide au transport, à l'énergie, etc., a donné naissance à des perspectives d'expansion continue dans ce secteur, même dans le domaine de la demande mondiale croissante de produits du Yukon. Et ces ressources deviennent de plus en plus rares dans d'autres secteurs. Je ne veux pas dire que les ressources minérales du Yukon sont tellement uniques, mais elles pourraient s'intégrer à l'offre mondiale, compte tenu de la structure des prix qui les rendrait compétitifs.

M. Nielsen: J'ai un autre rendez-vous qui me force à m'absenter, mais j'aimerais dire très brièvement que ce rapport à trait surtout au Yukon et non au Grand nord en général. Je crois qu'il faut toujours s'en rappeler.

Deuxièmement j'ai une question à poser, soit au docteur Carr, soit au professeur Anderson. Lorsque l'étude a été faite par la C.B.A. de Vancouver, bureau d'ingénieurs à qui la Commission a demandé d'établir les bases sur lesquelles sont fondées ces recommandations, savez-vous, docteur Carr ou professeur Anderson si quelqu'un, au nom de ce bureau d'ingénieur, a visité le Yukon afin de

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visited the Yukon in order to compile the information upon which these recommendations were made?

Dr. Carr: Yes, we were aware that there was just one quick trip made. It was understood in the beginning that the information should be compiled primarily from secondary material.

Mr. Nielsen: I am sorry to interrupt. Are you suggesting that someone from that firm did go to the Yukon?

Dr. Carr: It was my understanding that they went, yes.

Mr. Nielsen: That is not the case, Dr. Carr.

Dr. Carr: Well, in any case, I do not think it relates to the matter. They were employed to do a study of the information available. As you know, there have been quite a few studies done of various parts, the Rat, the Peel, the Yukon and the study of surrounding rivers—the Ingledow Report just recently completed. The task was to draw these together and there was no advantage in going to the Yukon to do this. It was not an engineering study of any particular point. The only thing they had to do was to gather together, analyze and combine the information that was already available. We took the responsibility ourselves of interviewing the people in connection with that—Professor Anderson and I.

Mr. Nielsen: Thank you, Mr. Chairman. I meant no disrespect when I contradicted you, Dr. Carr. I think you are misinformed on that point.

Dr. Carr: I may be, yes. I had understood that someone had gone.

The Chairman: Do you have further questions, Mr. Nielsen?

Mr. Nielsen: No, thank you, I must go. I am very sorry, but this appointment was made quite some time ago. I am sure, however, the other members will question the two witnesses very thoroughly.

The Chairman: Do you have a comment on Mr. Nielsen's remark, Professor Anderson?

Professor Anderson: With your permission, I would put a statement on the record respecting this special report that was made. The policy conclusions drawn in the final report are the responsibility of the witnesses you have before you. Such policy conclusions were not the responsibility of the people that

[*Interpretation*]

compiler les renseignements sur lesquels se sont basées les recommandations?

M. Carr: Nous savions qu'il y a eu une visite assez brève dans cette région. Il était convenu que les renseignements, au départ, devraient être compilés à partir de matériel secondaire.

M. Nielsen: Est-ce que vous dites que quelqu'un est allé au Yukon?

M. Carr: Je crois savoir que oui.

M. Nielsen: Je ne crois pas.

M. Carr: Quoi qu'il en soit, je ne crois pas que cela a trait à la question en cause. On a embauché ces gens pour faire l'étude d'après les renseignements disponibles. Comme vous le savez, il y a eu un certain nombre d'études dans divers secteurs de la *Rat* et de la *Peel*—le Yukon et l'étude des cours d'eau environnants—le rapport Ingledow qui vient d'être terminé. Il s'agissait, en fait, de réunir tous ces rapports et il n'y avait aucun avantage à se rendre au Yukon pour le faire. Il ne s'agissait pas d'une étude technique. La seule chose qu'il fallait faire c'était de réunir la documentation, de l'analyser et de compiler les renseignements. Nous avons pris la responsabilité d'interviewer les gens en cause, c'est-à-dire le professeur et moi-même.

M. Nielsen: Merci, monsieur le président. Je ne voulais pas vous contredire, monsieur Carr.

M. Carr: Oui, j'avais compris que quelqu'un y était allé.

Le président: Vous avez d'autres questions monsieur Niselsen?

M. Nielsen: Non, mais je dois partir. Je suis sûr que les autres députés auront des questions à poser aux témoins.

Le président: Voulez-vous commenter la remarque de M. Nielsen, professeur Anderson.

M. Anderson: Avec votre permission, j'aimerais consigner une déclaration au sujet du rapport spécial qui a été fait. Les conclusions de principe tirées dans le dernier rapport sont la responsabilité des témoins. Ces conclusions ne découlent pas des gens qui avaient cette tâche précise et, très brève-

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we gave a specific task to and if you wish, I can outline very briefly the kinds of recommendations which they made, but I will forbear since the documents are available.

The Chairman: Thank you.

Mr. Thomson (Battleford-Kindersley): Dr. Carr, what was the name of that report Mr. Nielsen mentioned?

Dr. Carr: It was by CBA Engineering. It was a reference study on power—Volume 6 of our report.

Mr. Thomson (Battleford-Kindersley): But, in effect this was some of your basic material?

Dr. Carr: This was some of the source material, yes.

Mr. Thomson (Battleford-Kindersley): Thank you, that is what I wanted to know.

Dr. Carr: The list of studies is in Appendix D in the reference and it is included.

The Chairman: For the information of the Committee, I believe, Dr. Carr, that the procedure was that all the basic material for Volume I was printed at the same time, but was not sent out to the people who received Volume I. It is available to members through the Library here.

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Mr. Thomson (Battleford-Kindersley): Could I just ask a further question? You gentlemen did not go to the Yukon and sort of put your hands on the . . .

Professor Anderson: We were there many times.

Mr. Thomson (Battleford-Kindersley): Yes, this is what I wanted to make clear, thank you.

Dr. Carr: I was making clear to Mr. Nielsen that in the course of our interviews in the Yukon—we made eight or ten trips there all together—we interviewed the people concerned with power at that time.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, we are not discussing anything but power this morning.

The Chairman: The matter before the Committee is the power question. Now, if we get through the power question completely, and if all members agree, then perhaps we can question Dr. Carr and Professor Anderson

[*Interprétation*]

ment, je peux vous donner un compte rendu des recommandations qu'ils ont formulées, mais je vais m'abstenir car nous avons les documents.

Le président: Je vous remercie monsieur Nielsen.

M. Thomson (Battleford-Kindersley): Quel était ce rapport, qu'a mentionné M. Nielsen?

M. Carr: Il s'agit du rapport de la C.B.A. Une étude sur les besoins énergétiques du Yukon. Volume 6 de notre rapport.

M. Thomson (Battleford-Kindersley): Cela vous a servi de base?

M. Carr: Il s'agissait de documents de référence.

M. Thomson (Battleford-Kindersley): Merci. C'est ce que je voulais savoir.

M. Carr: On trouvera la bibliographie à l'appendice D.

Le président: Pour la gouverne du Comité, je crois, docteur Carr, que le matériel de références pour le premier volume a été imprimé en même temps mais non envoyé à ceux qui ont reçu le Volume I. Cette documentation est disponible dans la bibliothèque.

M. Thomson (Battleford-Kindersley): Vous n'êtes pas allé vous-mêmes au Yukon pour mettre en sorte la main à la pâte?

M. Anderson: Nous y sommes allés maintes fois.

M. Thomson (Battleford-Kindersley): C'est justement ce que je voulais élucider.

M. Carr: Comme je l'ai dit à M. Nielsen, au cours de nos entrevues au Yukon, nous avons fait de huit à dix tournées et nous avons interviewé les gens qui s'occupaient des ressources énergétiques, à cette époque.

M. Thomson (Battleford-Kindersley): Nous ne parlons de rien d'autre que de l'énergie ce matin.

Le président: La question que doit étudier le Comité est celle des besoins énergétiques. Si nous terminons complètement l'étude de cette question, et que tous les membres du Comité soient d'accord, nous pourrions peut-

[*Text*]

generally on the economic side of the Yukon. Mr. Kaplan had a question.

Mr. Kaplan: Mr. Chairman I am surprised I say this without meaning any disrespect to the witnesses, that it has not been possible for them, in the course of their studies, to recommend either the use of private or public power for the development of the North and I want to ask a couple of questions about that.

I am grateful for your more general remarks than those remarks about power. You talked for a moment about the economic unit that is composed of the Yukon and the District of Mackenzie portion of the Northwest Territories. Can we take it that your view is that is really one area for the purposes of development? Might there be some political advantage from treating the Mackenzie territory and the Yukon as one? There are political facts that we face. We cannot take British Columbia. We cannot take Alaska. But it is within our power, I suppose, as the federal government, to create a political unit of the Mackenzie territory and the Yukon. So before we come to power that I would like to talk about for a minute, may I ask if you think there is merit in that kind of political unit?

Dr. Carr: We have emphasized in the first three chapters, perhaps, the fact that if there is to be effective development it ought to be treated as a region. We see no reason why the political boundaries should interfere with this economic development in terms of economic services.

Mr. Kaplan: Well it may not if both territories are administered by the federal government, but if one or the other were to become a sovereign province then it might make a difference.

Dr. Carr: I do not think that it needs to. Certainly the development that already has been going north through British Columbia and Alberta in terms of highways, the Pine Point Railway, and the P.G.E. Railway are going north with the object of providing services on a remunerative basis. It is all part of the kind of development that we are visualizing only it is probably more co-ordinated and not piecemeal, even for Alaska. The people in that whole region are rather desperate for economic development at this time and Alaska would be most happy to co-operate in many respects. They lean towards those as-

[*Interpretation*]

être poser des questions générales au professeur Anderson et à M. Carr sur l'économie du Yukon. M. Kaplan avait une question à poser.

M. Kaplan: Monsieur le président, je suis surpris, sauf le respect que je dois aux témoins, qu'il leur ait été impossible, au cours de leurs études, de recommander l'usage de l'énergie fournie soit par le secteur public soit par le secteur privé, et j'aimerais poser deux ou trois questions à ce sujet.

Je suis heureux que l'on puisse faire des observations plus générales que celles qui ont trait à l'énergie. Vous avez parlé un instant de l'entité économique qui se compose du Yukon et, dans les Territoires du Nord-Ouest, du District de Mackenzie. Doit-on comprendre que, selon vous, il ne s'agit là que d'une seule région, pour ce qui est de l'expansion économique? Est-ce qu'il serait avantageux, du point de vue politique, de traiter le Yukon et le District de Mackenzie comme étant un seul territoire? Il y a des réalités politiques auxquelles nous devons faire face. Nous ne pouvons pas prendre la Colombie-Britannique, nous ne pouvons pas prendre l'Alaska. Mais nous pouvons, je pense, en tant que gouvernement fédéral, grouper en une seule unité politique le territoire de Mackenzie et le Yukon. Donc, avant que nous ne passions à la question de l'énergie, dont j'aimerais parler un instant, pourriez-vous me dire si à votre avis une telle entité politique présenterait quelque avantage?

M. Carr: Nous avons insisté, dans les trois premiers chapitres, peut-être, sur le fait que si ce secteur doit connaître une expansion réelle, il faudrait le considérer comme une entité. Il n'y a aucune raison pour que les limites politiques gênent l'expansion économique en ce qui concerne les services.

M. Kaplan: Cela peut ne pas être un obstacle si les deux territoires sont administrés par le gouvernement fédéral, mais cela pourrait être important si l'un ou l'autre devenait une province souveraine.

M. Carr: Je ne pense pas que ce soit nécessaire. Assurément, il se fait un expansion vers le Nord, en passant par la Colombie-Britannique et par l'Alberta, pour ce qui est des services de voirie, des chemins de fer de Pine Point et du P.G.E., et l'on monte vers le nord dans le but d'assurer des services sur une base rémunératrice. Tout cela fait partie du genre d'expansion auquel nous songeons, mais c'est sans doute mieux coordonné et non morcelé, même en Alaska. Les habitants de toute cette région souhaitent avidement une expansion économique en ce moment, et même l'Alaska serait très heureux de collabo-

[*Texte*]

pects where most of the activity is in Alaska. However, there are other aspects, such as the proposed extension of the railway from Dawson to Fairbanks. It would be almost an automatic development in Alaska. A great deal of the benefit would return to Canada through transported goods from all over the United States to Alaska.

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I do not think the political boundaries need be a problem. They can be. I think I would agree, however, with your implication that at least it probably would be more effective if there were fewer and I do not disagree with that. It is not going to be very long until the people in the Yukon and in the western part of Mackenzie District have to make a decision on this. Certainly the advantages today are all toward larger regions. We see the disadvantages in the Maritimes and other areas of too small regions. Here we have something that we ought to be able to think cogently about from the beginning.

Mr. Kaplan: Well I am glad to have your view about that. Turning for a moment to the problem of power, I was hoping on our recent trip to the North that I would be able to make a decision on the basis of what I had seen about whether private power did have a role to play in the development of the North. It is discouraging in view of the work that went into the preparation of this Report that it was apparently impossible for experts to come to some conclusion in that area.

Dr. Carr: I do not know whether you have read Chapter 8 or not; I hope you have. I thought our position was quite clear in there. As Professor Anderson and I have been saying, public interest in the North is rather extensive. The returns to public development may be much more easily gained through public development than private. In a region such as the North that is so dependent on public measures, public services for development, surely there is a role for each. Certainly there cannot be much question that if there is to be development it probably must largely stem from public initiative and public finance. I might just read this paragraph on page 170.

> Accordingly, it is recommended that a new power authority be established for the northwest region of the Territories; that such an authority be created either by extending the role and organization of

[*Interprétation*]

rer sous bien des aspects. On tend vers les aspects où la majeure partie de l'activité se situe en Alaska. Toutefois, il y a d'autres aspects, comme l'extension projetée du chemin de fer de Dawson à Fairbanks. Ce serait presque une expansion économique automatique de l'Alaska. Mais le Canada en bénéficierait beaucoup, grâce au transport vers l'Alaska de marchandises venant de toutes les régions des États-Unis.

Je ne pense pas que les limites politiques constituent forcément un problème; elles pourraient en être un. Mais je dirais, comme vous, que l'expansion serait probablement plus efficace s'il y avait moins de limites politiques. J'en conviens parfaitement. Dans peu de temps, les habitants du Yukon et de la partie ouest du District de Mackenzie vont devoir prendre une décision à ce sujet. De nos jours, on a toujours avantage à avoir des régions plus grandes. On s'aperçoit, dans les Maritimes et ailleurs, des inconvénients des régions trop petites. Il y a là un problème qu'il faudrait arriver à bien penser dès le départ.

M. Kaplan: Je vous remercie de m'avoir donné votre opinion à ce sujet. Pour ce qui est de la question de l'énergie, j'espérais, lors de notre récent voyage dans le Nord, pouvoir parvenir à une décision, d'après ce que nous avions vu, sur le rôle possible de l'énergie du secteur privé dans l'expansion du Nord. Il est décourageant de constater que, malgré tout le travail nécessaire à la préparation de ce rapport, les experts n'aient pu parvenir à une conclusion à ce sujet.

M. Carr: J'ignore si vous avez lu le chapitre 8 ou non; j'espère que vous l'avez lu. Je pense que nous y exprimions notre attitude très clairement. Comme le professeur Anderson et moi-même l'avons dit, le grand public s'intéresse beaucoup au Nord. Les avantages pour le public de la mise en valeur sont beaucoup plus facilement atteints grâce à la mise en valeur publique que grâce à la mise en valeur privée. Dans une région comme le Nord, dont l'expansion dépend tellement des mesures et des services publics, chacun des deux secteurs a certainement un rôle à jouer. Il ne fait aucun doute que la mise en valeur doit résulter en grande partie de l'initiative et des finances du secteur public. Je pourrais vous lire ce paragraphe, à la page 150:

> En conséquence, il est proposé qu'un nouvel organisme pour l'énergie électrique soit constitué pour le Nord-Ouest des Territoires, soit en étendant le rôle et l'organisation de la Commission d'énergie

[*Text*]

the Northern Canada Power Commission or by establishing a new agency responsible for power in the northwest region of the Territories; that it be effectively authorized, organized, staffed, located, and equipped to carry out fully the responsibilities as agent of the federal government, for planning, developing, coordinating, and operating, where necessary, the power services suitable for the effective economic development of the Yukon and the rest of the northwest region of the Territories.

Mr. Kaplan: Well, that is fine, however, the question I asked was whether you thought there was a role for private power in the North. Perhaps I might then focus on the expression "where necessary". What do you think would make it necessary in a particular situation for public power to be used? Do you think that private power ought to be the first preference where it can function economically or is there some other criterion?

Dr. Carr: I think this fits in with what Professor Anderson has been talking about and I will let him answer this.

Professor Anderson: Mr. Chairman if I could revert for a moment, when we made the initial statement on not deciding about public and private, I am sure it should have been stated in the context that we do not regard the present function and role of Yukon Electrical Company as the only function and role for private power. Also, that we do not regard NCPC, Northern Canada Power Commission, as an example of public power that is necessarily to be extended. I tried to deal with this in the economic construction of it; that there may be a role if northern communities decide that the distribution facilities, even some of the production facilities, might well belong to the private sector.

One of the great needs in the Yukon as in any region where you look to regional development—not simply independent, sporadic, atomistic activities—is a scale of uniform rates or nearly uniform rates, interconnecting grids, so that peaking and all these other factors can be taken into account and the technical factors which I do not pretend to be expert in but have read with some care respecting the annual flows, limitations of

[*Interpretation*]

du Nord canadien, soit en créant un nouvel organisme chargé de l'approvisionnement en énergie du Nord-Ouest des Territoires. Il est proposé également que cet organisme soit muni des pouvoirs, de l'organisation, du personnel, des installations et de tous les éléments nécessaires pour remplir toutes les obligations qui lui incomberont en sa qualité d'organisme fédéral: planification, développement, coordination et exploitation, s'il y a lieu, des services d'électricité nécessaires à la croissance économique du Yukon et du Nord-Ouest des Territoires en général.

M. Kaplan: Tout cela est très joli, mais ce que je vous ai demandé, c'est si l'énergie du secteur privé avait un rôle à jouer dans le Nord. Je pourrais peut-être insister sur l'expression «s'il y a lieu». Selon vous, qu'est-ce qui pourrait rendre nécessaire, dans une situation particulière, l'utilisation de l'énergie du secteur public? Pensez-vous que l'on devrait donner la préférence au secteur public lorsqu'il peut fonctionner de façon économique, ou y a-t-il d'autres critères?

M. Carr: Je pense que cela a trait à ce dont a parlé le professeur Anderson, aussi vais-je le laisser répondre à cette question.

M. Anderson: Monsieur le président, si vous me permettez de revenir en arrière un instant, lorsque nous avons déclaré, au début, ne pas avoir tranché la question entre le secteur public et le secteur privé, je suis certain qu'il aurait fallu préciser dans le contexte que nous n'envisagions pas la fonction et le rôle actuel de la *Yukon Electrical Company* comme étant la seule fonction et le seul rôle possibles pour l'énergie du secteur privé. Nous aurions dû dire aussi que nous ne considérions pas la C.E.N.C., la Commission d'énergie du Nord canadien, comme un exemple de l'énergie du secteur public qui doive s'étendre. J'ai essayé de préciser cela du point de vue économique: c'est-à-dire qu'il peut y avoir un rôle à jouer si les collectivités du Nord décident que les installations de distribution, et même certaines des installations de production, pourraient fort bien appartenir au secteur privé.

Mais, l'un des grands besoins dans le Yukon, comme dans toutes les régions où l'on envisage l'expansion régionale, pas simplement l'activité sporadique, c'est d'avoir une échelle de tarifs uniforme ou quasi uniforme, la création de réseaux qui tiennent compte de tous ces facteurs, et ces éléments techniques, (je ne prétends pas être expert, mais que j'ai lus avec soin) c'est-à-dire les fluctuations annuelles, les restrictions de l'énergie hydroé-

[*Texte*]

hydro, thermo, even nuclear power—where all of the technical advantages of these various modes can be integrated to give to the grid system the kind of service we have come to expect in other places.

If, indeed, there is any validity to the idea of uniformity of rate depending upon consumption factors, and so on, I ask myself as an economist how can the private sector survive with a rate structure designed to encourage development; designed to produce electricity while the consumption is not at the highest possible load; designed to produce electricity because the indirect stimulations which come from it are picked up by the public sector somewhere else? How can the private sector, the private operator, amortize his costs for the sake of his owners on that kind of rate structure because he can only recoup directly; that is, right straight out of the rate?

There is a role if it should be chosen for distribution facilities where you buy the power from the grid and distribute it with the necessary markup because even though it were provided publicly the same kind of distribution costs would occur and these costs are ordinarily directly recouped. These are not amortized. The things that are amortized and provide the possibility for lower rates and recouping indirectly are the heavy construction costs for big thermo plants, for big hydro plants, and not necessarily the distribution of facilities.

Indeed, I said in my earlier remarks where you find isolated activites there is no reason why the owner of the mill should not run the power. I cannot see any reason why he should not—and that is private power—and supply his own town-site and all the rest of it. It is more economical to do that as long as he is not tied to a grid. If he is tied to a grid you work on a power exchange system of some kind with a price differential. It might be a plus differential if he has excess power for the grid.

What is needed in my opinion is a policy of power tied to and structured into public provision of the most important—that is, largest and longest—scale types of projects. One of the good examples of this is the situation in the Western United States 20 or 30 years ago compared with now. Immense federal power installations went in well ahead of demand and a great proportion of the California economy is possible because of those early steps.

[*Interprétation*]

lectrique atomique et nucléaire où tous ces modes d'énergie électrique peuvent être intégrés pour assurer au réseau le genre de service auquel on s'attend dans d'autres régions.

Par conséquent, si vraiment l'idée de l'uniformité des tarifs établis en fonction de la consommation est tant soit peu valable, je me demande à titre d'économiste comment le secteur privé peut-il survivre alors que les tarifs sont sensés encourager la mise en valeur, l'énergie électrique pendant que la consommation n'est pas élevée, produire de l'électricité étant donné que la stimulation indirecte qu'elle fournit est recueillie par le secteur public quelque part ailleurs? Comment les administrateurs du secteur privé peuvent-ils amortir leur coût si une telle structure de tarifs est envisagée?

Bien sûr, il y a aussi un autre rôle où l'on peut acheter l'énergie à partir du réseau et la distribuer avec cette augmentation prévue, car même si cette énergie était distribuée directement au public, il y aurait les mêmes frais de distribution qui seraient, d'ordinaire, directement récupérés. Ils ne sont pas ainsi amortis. Les frais qui sont amortis et qui permettent d'établir des taux moins élevés et d'être indirectement récupérés sont les coûts d'aménagement trop élevés des centrales thermonucléaires, hydroélectriques, et pas nécessairement la distribution de l'énergie électrique.

Je l'ai déjà dit plus tôt, lorsque vous avez dans un secteur des consommateurs isolés, je ne vois pas pourquoi le propriétaire de l'usine ne doit pas exploiter sa propre source d'énergie. C'est plus rentable, c'est plus économique aussi longtemps qu'il n'est pas lié à un réseau. Mais s'il est lié à un réseau, vous avez, en quelque sorte, un système d'échange d'énergie, comportant un prix différentiel. S'il dispose de l'énergie excédentaire pour le réseau, ce pourrait être au prix différentiel en plus.

Mais ce dont nous avons besoin, à mon avis, c'est une politique, en matière d'énergie, rattachée à une structure où se trouvent inclus ces aspects particuliers des projets d'envergure à courte et à longue échéance. Un des meilleurs exemples est celui de la situation dans l'Ouest des États-Unis d'il y a 20 ou 30 ans, comparativement à ce qu'il en est maintenant. D'immenses aménagements hydro-électriques y ont été installés avant qu'il n'y ait eu de demande et une bonne partie de l'économie de la Californie a été rendue possible grâce à ces mesures prévoyantes.

[*Text*]

The rates were certainly not rated to cover cost in those early years but they are now, indeed, returning to the public sector very handsomely because of the stimulative effects.

Mr. Kaplan: I have a concluding general question, not specifically related to power. Do you think that the experience in the development of the north of some other countries might be useful and relevant to the development of the North of our country, such as socialist or communist countries or the experiences in Alaska?

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Dr. Carr: Oh yes, indeed. One thing we have found is that so many of the disadvantages of development in the North can be overcome over time by working and developing technology for them; for example, protection against the cold, and so on.

It used to be that there was very little activity, especially in construction or even in mining, above ground during the winter in the Yukon.

Today they have diesels equipped to protect them from the cold; they have special oils that are suitable for running day in and day out and year in and year out, and a great many things that enable operators to carry on very much the same as anywhere else in Canada and at a relatively small cost.

The experience in other countries fits very much into this pattern. In fact, it would be a very excellent type of comparative study to have the technology that has been developed in other countries compared and conjoined with that of the Canadian North.

Mr. Kaplan: Has there been such a study?

Dr. Carr: There have been a great many visits and this sort of thing, I believe, but not on this detailed comparative basis. Might I just revert briefly to your question on public versus private power? I think if I might put it in a nutshell we have tried to say that where it is economically sound there should be public power and where it is economically sound there should be private power.

I think each one can be determined on that basis except for where you come to the massive undertakings which impose a burden almost always upon the public investment, and this is what we are saying—if the Yukon remains a region of isolated mines there

[*Interpretation*]

Les tarifs n'étaient certainement pas calculés de façon à couvrir les frais dans ces années-là, mais c'est aujourd'hui que le secteur public en ressent les effets de cette prévoyance.

M. Kaplan: J'ai une suggestion qui ne se rattache pas nécessairement à l'énergie. Croyez-vous que l'expérience, pour le développement du Nord dans d'autres pays, pourrait être pertinente et utile au développement des régions septentrionales de notre pays, comme le développement dans les pays socialistes, communistes ou autres, ou encore l'expérience de l'Alaska?

M. Carr: Oui, certainement. Une des choses que nous avons constatées c'est que les inconvénients du développement du Nord peuvent être surmontés à la longue par le travail et la technologie; ainsi, par exemple, la protection contre le froid qui autrefois était tel qu'il y avait très peu d'activité surtout dans la construction, ou même dans l'exploitation minière au-dessus du sol, pendant les mois d'hiver, au Yukon.

Aujourd'hui, ils ont du matériel diésel pour les protéger du froid; ils ont aussi du pétrole spécial qui peut être utilisé jour après jour et d'année en année, et d'autres facilités qui leur permettent et qui nous permettent de maintenir l'activité tout comme n'importe où ailleurs au Canada et à des coûts relativement peu élevés.

Et l'expérience d'autres pays cadrent même très bien avec ce qui en est ici et ce serait un excellent genre d'étude de comparer et d'associer la technologie mise au point dans d'autres pays, à celle du Nord canadien.

M. Kaplan: Y a-t-il eu une telle étude?

M. Carr: Non, il y a eu bon nombre de visites, d'échanges mais non pas une telle étude comparative détaillée. Permettez-moi, maintenant, de me reporter brièvement à la question que vous avez posée et qui portait sur l'énergie dans le secteur public et dans le secteur privé. Je me permets de la résumer en disant que nous avons essayé de dire que, dans la mesure où il est rentable de le faire sur le plan économique, on devrait confier la production de l'énergie au secteur privé ou au secteur public.

Je pense que c'est sur cette base que le choix doit se faire, sauf lorsqu'il s'agit d'importants travaux qui imposent presque toujours un fardeau aux investissements publics, et c'est ce que nous disons: si le Yukon demeure toujours une région d'exploitations

[*Texte*]

probably is no role for public power, but we are saying that the Yukon has reached a point today where there is scope for a grid, for a larger scale power output, so this makes it a different situation.

It is the same as in all provinces where you have a power commission or crown corporation; they do not cover all the isolated points in the northern part of the province but for the vast body they are the responsible authority.

Mr. Kaplan: Thank you.

Mr. Thomson (Battleford-Kindersley): I would just like to make a comment in this respect in reply to Mr. Kaplan's question. In effect, the big populated centres or heavy demand centres for electricity have electricity at reasonable cost, but the poor little fellow or the outlying regions where there is not much demand either do not get any or they pay two prices for it. I think it is as simple as that and I speak from experience.

This is just what happened to the outlying areas in the Prairie Provinces before we had a public power. The cities had it at a reasonable price. The rural areas—particularly some rural areas—did not have it all and they fought with a lighting plant or something like that.

The Chairman: Are you finished with your questions, Mr. Kaplan?

Mr. Kaplan: Yes, thank you.

Mr. Borrie: Mr. Chairman, my questions are not on power so perhaps you would like to carry on on that subject.

The Chairman: Mr. Simpson?

Mr. Simpson: Dr. Carr, in the report you mentioned that the resources for hydro electric potential should be more fully established and that the most favourable hydro electric sites should be investigated again. Assuming that hydro electric power is pretty well an absolute necessity for development in the mining industry, from your studies could either of you gentlemen say whether there is any evidence that resource development up to this time has been hindered or held back in the Yukon for lack of power?

What I mean is, if resource development were discussed with the Commission I am sure that power would in some way come into the picture and be negotiated, but have there

[*Interprétation*]

minières isolée, il n'y aura probablement pas de rôle pour l'énergie publique, mais nous soutenons qu'on en est rendu aujourd'hui à un point où il existe au Yukon un potentiel qui justifie l'établissement de tout un réseau pour une exploitation sur une vaste échelle, tout comme dans une province où vous avez une commission de l'énergie, ou une société de la Couronne; ces sociétés ne couvriraient pas tous les points isolés dans les régions du Nord de la province, mais pour l'ensemble, elles constitueraient l'autorité responsable.

M. Kaplan: Merci.

M. Thomson (Battleford-Kindersley): Je voudrais simplement faire une observation en réponse à la question de M. Kaplan. En fait, là où il y a une très grande demande en matière d'électricité, l'électricité se trouve à un coût raisonnable, mais dans les régions périphériques où la demande est moins grande, soit que vous n'en ayez pas où que le prix soit très élevé. C'est ce qui se produisait dans les régions périphériques des provinces des Prairies, avant que le secteur public de l'énergie électrique ne s'y installe. Les villes disposaient de l'énergie à un prix raisonnable et certaines des régions rurales, n'en avaient pas et devaient se contenter d'une petite installation pour avoir un peu d'électricité.

Le président: Avez-vous fini de questionner, monsieur Kaplan?

M. Kaplan: Oui, merci monsieur le président.

M. Borrie: Monsieur le président, mes questions ne portent pas sur l'énergie, vous pourrez donc continuer sur le même sujet.

Le président: Monsieur Simpson?

M. Simpson: Monsieur Carr, vous aviez mentionné dans votre rapport qu'il fallait bien déterminer le potentiel de l'énergie hydroélectrique et que les emplacements les plus appropriés pour l'aménagement des usines devait faire l'objet d'une seconde étude plus approfondie. En supposant que cette énergie est une nécessité fondamentale pour le développement de l'industrie minière, pourriez-vous en vous basant sur les études que vous avez faites nous dire si vous avez réussi à démontrer que la mise en valeur des ressources a été jusqu'ici gênée ou retardée au Yukon pour manque d'énergie?

Voici ce à quoi je veux en venir. Si l'on discutait de la mise en valeur des ressources avec la Commission, je suis sûr qu'à un moment donné, il sera question d'énergie

[*Text*]

been any large entrepreneurs who wished to go into the Yukon and, say, have been discouraged, to your knowledge, because power would not be ready for them for X number of years and therefore they decided to look somewhere else?

• 1220

Dr. Carr: I do not know that it was quite as extreme as that. However, several issues arose even during the course of our investigation that indicated that there was a great deal of uncertainty about the future supply of power and about its adequacy for particular enterprises.

Certainly the policy, which I believe is established by legislation, is that power should be supplied on the basis of particular demands, in effect, and that when it is supplied it is supplied at remunerative rates.

We are suggesting that this is not adequate and it may be poorer economics to do it on this basis. If there is adequate potential for economic development, then it can be promoted on the basis that eventually you will more than recoup or at least recoup your investment and will be able to distribute power at a substantially lower cost than on the basis of paying remunerative rates from the beginning when the volume taken is quite small and, of course, costs are relatively high.

Mr. Simpson: This may not be quite the question that you would wish to answer, or be in a position to answer, but all of the members here are vitally concerned with and interested in the operation of NCPC, and I am wondering whether you have come across any instances in your studies where interested investors have shown a desire to go into the Yukon and have not been able to get sufficient encouragement from NCPC that power would be available at any time they wished to go.

Dr. Carr: I am afraid we did not investigate this aspect. We were concerned with the resources and with the firms that were there; we were not concerned with seeking out firms for development.

Mr. Simpson: I am not being critical when I say this because there are instances in provincial jurisdictions where the public sector has been assisted by the industry themselves in the capital construction of power developments for their eventual use. I was just wondering if NCPC were always in a position

[*Interpretation*]

électrique et que cette énergie ferait l'objet de négociations, mais savez-vous s'il y avait eu des entrepreneurs de calibre qui désiraient s'installer dans le Yukon et qui en furent découragés, vu qu'ils ne disposeraient pas de l'énergie nécessaire à leur entreprise avant un certain nombre d'années, et qu'ils ont donc décidé de s'adresser ailleurs?

M. Carr: Je ne crois pas que la situation ait été telle; toutefois, bon nombre de questions ont été soulevées même au cours de notre enquête, qui nous ont indiqué qu'on était inquiet quant à l'approvisionnement en énergie et à sa suffisance pour les entreprises qui voudraient s'y établir.

Cette politique qui, je crois, a été établie par une mesure législative, stipule que l'énergie doit être fournie si on en fait la demande et que si elle est fournie, qu'elle le soit à un taux rémunérateur.

Nous disons que ce n'est pas suffisant et que ce n'est pas de bonne guerre, sur le plan économique, de procéder ainsi. S'il y a possibilité de développement économique, alors, on peut l'encourager en se fondant sur le fait qu'éventuellement, vous vous trouverez au moins à récupérer, sinon plus, votre investissement et vous pourrez faire la distribution de cette énergie à un prix moins élevé en payant dès le début un taux rémunérateur, que lorsque le volume est assez limité et les taux assez élevés.

M. Simpson: Ce n'est peut-être pas la question à laquelle vous désirez fournir une réponse ou peut-être serez-vous en mesure de le faire, mais tous les honorables députés ici s'intéressent et dépendent de la NCPC. Je me demande alors si vous avez, au cours de vos études, trouvé des exemples où des investisseurs se sont intéressés à aller s'établir au Yukon et n'ont pas été en mesure d'être suffisamment assurés par le NCPC que l'énergie serait disponible dès qu'ils voudraient s'y rendre.

M. Carr: Nous n'avons pas étudié cet aspect de la question. Nous avons plutôt fait enquête auprès des sociétés qui s'y trouvaient, sur les ressources disponibles, on n'a pas essayé de se faire le porte-parole d'un tel genre de développement.

M. Simpson: Je ne critique pas quoi que ce soit lorsque je parle ainsi, parce qu'il y a des cas de compétence provinciale où le secteur public a reçu de l'aide de l'industrie elle-même dans de tels travaux d'immobilisation pour la mise au point d'un service énergétique. Je me demandais si cet organisme était

[*Texte*]

to say at any given moment to an industry, "Well, we can supply you power within a year and a half or two years and that is it, and here are the rates", or whether they have maybe not been in the position and therefore discouraged industry from going into the Yukon.

Dr. Carr: Well, I might say that there has not been any evidence that there was a supply of power to be available for industry or service plants or such that might come along. I do not think that power has ever been supplied particularly with the view of promoting new development, except for a special case.

The Chairman: Are there any further questions on power, gentleman? I have a couple here myself.

Professor Anderson, you have mentioned the need for a good system in the Yukon. Do you foresee a linking-up of this with the B.C. hydro grid system? Would this be immediately advantageous in your view?

• 1225

Professor Anderson: I have to bend a little towards my not very profound understanding of the technology of electrical transmission. If you have power loads of certain sizes, you can transmit power over varying distances. With the gradual build-up of indigenous power sources in the Yukon—we are not talking here about the immediate creation of all the power potential that might ever be needed in the Yukon, but rather a developmental program to advance these—and as the activity in the Tintina Trench moves forward, I see that interprovincial and even international power grids are becoming important. A regional power grid would undoubtedly develop, made administratively much more practicable if you are dealing with one power authority rather than a series of independent power producers.

There are vast blocks of power potential on the upper Liard River that B.C. has already put into its priority list, and it will go ahead. With the vigor of the people of British Columbia, there is no doubt about it. And this is an obvious supply for the whole of the southeastern region of the Yukon, extending towards the northwest as the Tintina Trench builds up, which would then be linked through the existing power lines into the whole Whitehorse complex.

[*Interprétation*]

en mesure de dire à une industrie: «Nous pouvons vous fournir l'électricité dans un an et demi ou deux, à ce tarif.», ou encore, ils n'ont peut-être jamais été en mesure de le faire et ont par conséquent découragé les industries à s'y établir?

M. Carr: Rien n'a été prouvé portant que cette énergie serait disponible pour les industries ou les services ou autres qui pourraient s'y installer. Je ne crois pas que l'énergie ait jamais été fournie d'une façon plus particulière en vue d'encourager de nouveaux développements sauf, disons, dans un cas spécial.

Le président: Est-ce que vous auriez d'autres questions à poser sur l'électricité? J'en aurais quelques-unes à poser moi-même. Professeur Anderson, vous parlez de la nécessité d'avoir un excellent réseau au Yukon. Est-ce que vous prévoyez que ce serait rattaché, disons, au réseau électrique de la Colombie-Britannique? Est-ce que cela présenterait des avantages immédiats à votre avis?

M. Anderson: Je dois avouer que je ne comprends pas tout à fait l'aspect technique de la transmission électrique. Si vous avez, disons, des charges électriques d'une certaine importance, vous pouvez transporter de l'énergie électrique sur des distances variées. Avec l'accumulation graduelle de ces ressources d'énergie au Yukon—on ne parle pas ici de la création dans l'immédiat de toutes ces ressources d'énergie dont nous aurons éventuellement besoin au Yukon, mais plutôt d'un programme de développement pour suivre les progrès—à la suite de ces activités dans la tranchée tontina, je vois que les réseaux électriques interprovincial et même international deviennent de plus en plus importants. Un réseau électrique régional serait mis au point, de façon beaucoup plus pratique sur le plan administratif si vous devez traiter simplement avec une seule commission de l'énergie plutôt qu'avez plusieurs sociétés indépendantes de l'énergie.

Il y a bon nombre de sources d'électricité en amont de la rivière Liard que la Colombie-Britannique a déjà mis sur sa liste de ses priorités. Et avec la vitalité des habitants de la Colombie-Britannique, j'imagine que cela se réalisera. Cela alimenterait toute la région du sud-est du Yukon qui se prolonge vers le Nord-ouest jusqu'à la tranchée de Tontina, qui pourrait être reliée par les lignes électriques qui existent déjà dans tout le réseau de Whitehorse.

[*Text*]

The Chairman: Do you see any immediate use in the Yukon of nuclear power, or in the foreseeable future, in 10, 15 or 20 years?

Professor Anderson: Our consultants looked into this and they expect that sometime over the next decade or perhaps 20 years, there will be improved technology of nuclear power to the point where relatively small plants—relative to the sizes that are now needed—could, indeed, become a valuable source of power.

But at the moment, I understand, technology is not prepared to put any date or size to such an economic unit. There are technical limitations to the use of power from nuclear sources. It needs to be tied in with conventional sources for peaking, standby, all of the other things. At the moment, at least, nuclear power does not stand as a single applicable source of power.

Dr. Carr: I might say, Mr. Chairman, that this is one reason we recommended that the use of coal be investigated. Coal is available and it would fit in with the immediate needs and also fit in well with the future needs in terms of either a hydro or a nuclear development, to support either of those at a later time.

Professor Anderson: It should be pointed out, and it was raised by one of the questioners, that in the present state of knowledge hydro sites are known, but the engineering feasibility of any one of these sites is not known. That is, the actual cost of producing so much power from a given site depends upon the structure underneath so that you can anchor your dam, and there is a whole range of things that have to be investigated site by site, by drilling, by engineering investigations, before the specific cost of capturing a certain number of horsepower from a given hydro site could be known. This is not known in the Yukon. The sites are known, but not the engineering studies necessary to know how to rank these in terms of priority for cost versus potential output.

The same thing is true of coal, even though coal has been known and has been used in the Carmacks Region. Whether or not the coal resources of that region will support a good-sized thermal generating station simply is not yet known.

[*Interpretation*]

Le président: Croyez-vous qu'on puisse utiliser d'ici peu l'énergie thermo-nucléaire au Yukon ou dans un avenir rapproché, dans 10, 15 ou 20 ans?

M. Anderson: Suivant nos experts-conseils qui ont étudié la question, on s'attend que d'ici les dix prochaines années ou peut-être les vingt prochaines années, il y aura une technique améliorée de l'énergie nucléaire à un tel point que des centrales plutôt petites en raison de leur dimension, qui sont nécessaires actuellement, pourraient en effet devenir une source valable d'énergie.

Mais en ce moment, la technologie n'est pas encore au point pour fixer une date ou une dimension à des unités économiques de ce genre. Il y a des limitations sur le plan technique en ce qui concerne l'utilisation de l'énergie provenant des sources nucléaires. Il faut que ce soit rattaché aux sources conventionnelles des ressources de pointe. Pour l'instant, du moins l'énergie nucléaire ne peut être la seule source d'énergie utilisable.

M. Carr: C'est une des raisons pour lesquelles nous avons recommandé que l'on étudie l'utilisation du charbon. Le charbon est disponible et il répondrait aux besoins immédiats et cadrerait très bien avec les besoins éventuels, soit pour le rattacher au perfectionnement des systèmes hydrauliques ou nucléaires, pour aider l'un ou l'autre à un autre moment.

M. Anderson: Il nous faut signaler un fait qui a été soulevé par un des interrogateurs qu'étant donné l'ordre actuel des choses, les emplacements hydrauliques sont connus mais la possibilité technique de tels aménagements ne l'est pas encore. Qu'est-ce qu'il en coûtera pour engendrer telle quantité d'énergie à partir d'un tel emplacement? Tout dépend de notre infrastructure pour l'aménagement du barrage. Donc, il faut faire enquête, sur un grand nombre de choses, emplacement par emplacement, en faisant des forages, en faisant des études techniques, avant de pouvoir savoir ce qu'il en coûtera au juste, pour produire un certain nombre d'années de kilowatts. Ces détails ne sont pas connus au Yukon. Les emplacements sont connus mais les études techniques requises pour l'établissement des priorités par rapport au coût et au rendement possible n'ont pas été faites.

La même observation vaut pour le charbon. Même si le charbon est connu et a été utilisé dans la région des Carmacks. Que les ressources en charbon de ces régions puissent alimenter ou non une station thermale génératrice d'une bonne dimension, nous ne le savons pas encore.

[*Texte*]

• 1230

The Chairman: It has been suggested, professor, that prices for hydro in the Yukon should be deliberately maintained at a higher level outside the centres, outside Whitehorse and the other major centres in the Yukon, simply because it is more efficient and desirable to have people living in as few number of centres as possible in order to give them adequate services, other adequate services as well. What do you think about this suggestion?

Professor Anderson: This is the first time I have heard of it and, frankly, I do not think much of it.

Dr. Carr: There are probably enough other features of the environment there that cannot force them to avoid isolation.

Professor Anderson: It brings in the question of cross-subsidization. If you do not have a power grid but do indeed have a series of power production points, whether it be hydro, diesel, gas turbine, or whatever, and these are not interconnected it would be possible, as was suggested by one of the members—and this occurred in the Province of Saskatchewan—to have the organization such that you would have a uniform power structure regardless of the independent costs at any one point, a cross-subsidization, so that the people who happen to live close to the cheaper power would find it cheaper not because it was cheaper to install but because the installation measured against the load factor gives a low unit cost. It is simply because Whitehorse people, in short, do not gain all of the benefits of their fortuitous location.

Another way to achieve much the same thing, and it has technical advantages as well, is to interlink most of these points with a grid so that power exchanges can go on which could also lead to a uniform power pricing policy. It would have economies of scale because you would not have enough power and standby power in each of these places to supply it, the grid could supply it.

So, it is possible to have an administrative device for uniform power policy without having a physical grid, but the physical grid, granting that you have minimal power consumption to warrant the construction, would economize in the total productive capacity of the area because of the interchange and the peaking economies, and so on. There are

[*Interprétation*]

Le président: Il a été proposé que les prix d'électricité au Yukon devraient être délibérément maintenus à un niveau élevé en dehors des centres, tels que Whitehorse, et les autres grands centres dans le Yukon, uniquement parce que ce serait plus efficace et souhaitable que les gens vivent autant que possible dans quelques centres; de façon à recevoir des services satisfaisants et aussi d'autres services appropriés. Que pensez-vous de cette proposition?

M. Anderson: C'est la première fois que j'en entends parler et à vrai dire, je n'en pense pas grand-chose.

M. Carr: Il y a plusieurs autres caractéristiques du milieu qui ne peuvent les empêcher d'éviter l'isolement.

M. Anderson: Cela nous emmène à la question de la subvention mixte. Si nous n'avons pas de réseau électrique, mais une série de points de production électrique que ce soit hydraulique, diesel, turbine à gaz ou autre et que ceux-ci ne sont pas liés, il serait possible, comme l'a proposé un des membres du Comité, et c'est ce qui s'est produit en Saskatchewan, d'avoir une structure uniforme d'énergie sans tenir compte aux frais en chacun de ces points, une subvention mixte. Les gens qui sont près des centres d'énergie les moins dispendieux non pas parce que l'installation était moins chère mais parce que l'installation déterminée en fonction du facteur charge donne un prix unitaire modique. C'est simplement parce que la population de Whitehorse ne retire pas tous les bénéfices d'un emplacement avantageux.

Une autre façon d'arriver à peu près aux mêmes résultats et qui présente aussi des avantages techniques, c'est de lier la plupart de ces points par un réseau de sorte que les échanges d'énergie électrique peuvent se faire et amener aussi à une structure uniforme des tarifs d'électricité, le facteur entraînerait des économies d'importance parce que vous n'auriez pas besoin d'avoir suffisamment d'énergie électrique et d'énergie de réserve dans chacune de ces localités, pour alimenter ces endroits car le réseau pourrait le faire.

Il est donc possible d'avoir un appareil administratif pour répondre à une politique uniforme en matière d'énergie électrique, sans pour autant avoir un réseau concret d'installations. Mais celui-ci, admettant que vous faites une consommation minimale d'électricité pour garantir la construction, ferait économiser sur le plan de la capacité totale de

[*Text*]

administrative devices which are just as effective economically as some physical devices.

The Chairman: To change the subject slightly, Dr. Carr, the tenor of your report as I understand it is that you now feel that the Yukon is about to take off; that with investments, among other things, we should be directing public investment into power facilities in the Yukon and you feel that the benefits to all of Canada from this will more than make up for the public investment which would be involved in order to give momentum to the forces that are already having an effect in the Yukon.

The other day I heard a comment which I believe was made by the head of the Canadian Transport Commission, Mr. Pickersgill. I do not want to misquote him, but I gathered from what he said that he felt we should wait another 10 or 15 years before we start pouring money into the North. That there are people waiting in the Maritimes and that we should be paying attention to them and not pouring this money up there.

I do not agree with this position, and I hope I have not misquoted his position. I would like to know what you feel about this. Do you feel it is now more advantageous for the Canadian economy generally that we invest money in an area such as the Yukon that is likely to produce a very high return on the investment dollar?

• 1235

Dr. Carr: First of all, to go back to your earlier statement, I do not think we have quite gone to the extent of recommending. As Professor Anderson has suggested, we have not made a comparative study of the returns per investment dollar. We have said that here in our estimation is the potential of growth and it is primarily in minerals and with the services the output will probably move from $50 million to $470 million a year.

However, we have not appraised all the costs of this development. As you may know, they are currently appraising the investment costs for a railway to go through northern British Columbia and the Yukon, which fits in very well with the kinds of recommendations we make. The other costs for power, highways, and such, are very substantial. We have just not made any comparison with other regions.

[*Interpretation*]

la production dans la région, à cause des économies de jonction et des économies de pointe et ainsi de suite. Il y a des moyens administratifs qui sont tout aussi efficaces sur le plan économique, que certains moyens matériels.

Le président: Je vais changer un peu de sujet. Monsieur Carr, d'après le contenu de votre rapport, vous croyez que le Yukon est sur le point de connaître une expansion, qu'il a besoin entre autres d'investissements et que nous devrions intéresser la population à y investir dans les installations électriques et vous croyez que les avantages pour tous les Canadiens compenseront de beaucoup l'investissement du secteur public, qui sera nécessaire pour assurer la mise en valeur du Yukon.

L'autre jour, j'ai entendu une observation qui, je crois, a été faite par le président de la Commission canadienne des transports, M. Pickersgill. Je n'aimerais pas commettre d'erreur en le citant mais il a dit qu'il croyait que nous devrions attendre dix à quinze ans avant d'investir dans le Grand Nord canadien. Pendant que les gens attendent dans les maritimes, nous devrions nous intéresser à eux et non pas investir cet argent dans le Grand Nord.

Personnellement, je ne partage pas son opinion et j'espère ne pas avoir mal interprété ce qu'il a dit. J'aimerais bien savoir ce que vous en pensez. Croyez-vous qu'il soit plus avantageux pour les Canadiens en général d'investir dans une région comme le Yukon, qui va, semble-t-il donner en retour des avantages financiers assez considérables?

M. Carr: Tout d'abord, pour revenir à votre première déclaration, je ne crois pas que j'irais jusqu'à faire une proposition. Comme le professeur Anderson l'a fait remarquer, nous n'avons pas fait une étude comparative des avantages reçus par dollar investi. Mais, selon nous, voici le potentiel de croissance qui s'appuie d'abord sur les mines, et avec les services la production ira probablement de 50 millions de dollars à 470 millions de dollars par an.

Nous n'avons pas toutefois estimé tous les coûts de la mise en valeur. Comme vous le savez peut-être, il y a une évaluation constante des coûts d'investissement pour le réseau des chemins de fer qui traverse la Colombie-Britannique et le Yukon, qui cadre très bien dans le genre de recommandations que nous formulons. Les autres coûts pour l'électricité, les routes, etc., sont très élevés. Nous n'avons pas fait de comparaison avec d'autres régions.

[*Texte*]

If I might refer to Mr. Pickersgill, he also suggested that he was not questioning our estimates because we had not made any comparisons, and I think he said that this is what was needed to be done. We quite agree. We agree it is a matter of public policy to decide which area or region should be developed, and sometimes there are political considerations.

Right now I believe, as you do, that the North requires some special attention for this reason. In terms of economic gain alone this is a question that needs study. There is a vast region, however, involved here.

If you look at the resources in this whole region you will see that the potential is rather tremendous, especially with respect to minerals, oil, as such. In many respects this is the last great frontier for development that we have in Canada, and quite a few of us know the great benefits from exploiting our frontier. We have had quite a few in Canada, and it is beneficial to the rest of Canada to have such a frontier developed.

The Chairman: I would like to pin you down a little bit more than this, Dr. Carr, if I may. Do you feel that dollars invested in the Yukon—we will stick to the Yukon for the moment—by the Canadian public through its government will return to the Canadian public, by way of the many ancillary benefits which you mentioned in your earlier remarks, a more substantial return than you would get, for example, from investing in public services in the Maritime Provinces?

Dr. Carr: It happens that we have done a bit of study on the Maritimes and I believe that in the long pull the returns would certainly be greater. I must qualify this by saying that we have not appraised the costs. We hope that the development of a railroad through northern British Columbia to the Yukon border can be supported by the traffic in forest and mineral products in British Columbia. However, that has not been verified yet. If there were going to be excessive investment costs, and such, over the revenues for a railway like that it would perhaps be a continuing burden, or one could visualize it as being a continuing burden on the rest of Canada for all time. I am not sure what the situation on this would be.

These are the kinds of things, because of the vast distances that are involved in trans-

[*Interprétation*]

Si je puis faire allusion à la déclaration de monsieur Pickersgill, je crois qu'il a aussi dit qu'il ne doutait pas à toutes nos prévisions de défense parce que nous n'avions établi aucune comparaison et je pense qu'il a dit que c'était ce qui devait être fait. Nous sommes tout à fait d'accord. Nous convenons, bien sur, que c'est une question de politique, c'est-à-dire qui décidera du Territoire ou de la région à développer. Et parfois, il faut aussi tenir compte de certaines considérations politiques.

Pour l'instant, je crois, tout comme vous, que le Grand Nord demande une attention spéciale pour la raison suivante. Pour l'avantage économique seulement; c'est une question qu'il faut examiner. Il y a assurément une grande région en cause.

Si on regarde les ressources de toute cette région, vous vous rendez compte qu'il y aura une richesse incroyable, pour le pétrole, les minéraux, etc. Et sur bien des aspects, c'est la dernière grande frontière à mettre en valeur au Canada et plusieurs d'entre nous connaissent bien les grands avantages à retirer de la mise en exploitation de notre frontière. Nous en avons eu plusieurs au Canada et dans l'intérêt du public, il est bon de faire cette exploitation.

Le président: J'aimerais que vous précisiez un peu plus monsieur Carr. Croyez-vous que l'argent investi dans le Yukon—nous nous intéressons au Yukon pour l'instant—par le public canadien, par l'entremise de son gouvernement, offrirait des bénéfices à ce même public sous la forme des nombreux avantages accessoires que vous avez parlé tantôt, un profit plus important que l'argent investi, par exemple, dans les services publics des provinces Maritimes?

M. Carr: Nous avons fait une étude sur les Maritimes et je crois que les avantages dans l'ensemble y seraient certainement plus élevés. Je dois mettre sous réserve le fait que nous n'avons pas fait l'évaluation des coûts. Nous espérons que l'installation d'un chemin de fer du nord de la Colombie-Britannique jusqu'à la frontière du Yukon, pourrait être appuyée par la circulation routière et les produits minéraux en Colombie-Britannique. Mais cela n'a pas encore été vérifié. S'il devait y avoir aux frais d'investissement excessifs, qui dépasseraient les recettes d'un tel réseau ferroviaire ce serait peut-être un fardeau continuel et on pourrait même imaginer un poids permanent pour le reste du Canada. Je ne suis pas sûr de ce que serait la situation à ce sujet.

Ce sont des éléments dont il faut tenir compte lorsque le transport doit se faire sur

[*Text*]

portation services, that one has to consider. Perhaps Professor Anderson has something to add on this point as well.

Professor Anderson: In response to your question, Mr. Chairman, I would like to make what I suppose would be a statement, and I do not bind my colleague, Dr. Carr, in this; it is a personal statement. One of the reasons that I am here is that I have an immense respect for the political processes in a democratic country—and that is not just a platitude. As an economist I would hate to think that all decisions in this country were subjected solely to an economic calculus or a financial calculus.

The report that you referred to, a speech made by the President of the Canadian Transport Commission also said this: that the same sum of money, that is the money that we have said it will take to develop the Yukon as we see its potential, could also build some 65,000 single-family dwellings and might finance the construction of many times that number. As an economist who did a study in the Yukon it is not my responsibility but it is your responsibility, as parliamentarians, to decide whether Canada needs 65,000-plus dwellings with this kind of money or whether Canada, in its longer term, will be better off to have invested this kind of money, publicly and privately—we are not just sticking to the public sector because private investment is also involved—in the Yukon for a return which we feel relatively confident is justified—$1.4-plus billion private and public should yield buying things which we cannot calculate over not too long a time something of the order of half a billion dollars addition to the gross national product in Canada and, indeed, the multiplier effects of that will be even greater.

But, gentlemen, you know better than do I that this will not solve the problems of urban congestion and urban deprivation and pollution and all of these other things. I beg to defer to you; I will give you to the extent of my professional knowledge the best information I can give you about relative projects but in the final analysis, the political process in this country must decide on these questions.

The Chairman: A supplementary, Mr. Dinsdale, and Mr. Borrie.

Mr. Dinsdale: I am sorry I have not been able to get into this discussion earlier. I have been attending to cultural frontiers in the Broadcasticg, Films and Assistance to the Arts Committee but I want to say by way of

[*Interpretation*]

une très grande distance. M. Anderson pourrait peut-être ajouter quelques mots à ce sujet.

M. Anderson: En réponse à votre question, monsieur le président, j'aimerais faire une déclaration, mais je n'engage pas mon collègue. C'est une opinion bien personnelle. En fait, j'ai beaucoup de respect pour les méthodes politiques dans un pays démocratique et ce n'est pas une niaiserie. En tant qu'économiste, je ne voudrais pas que toutes les décisions dans ce pays soient assujetties seulement à des calculs économiques ou financiers.

Le compte rendu auquel vous vous êtes reporté, le discours du président de la Commission canadienne des Transports, indique également que le même montant d'argent, c'est-à-dire celui qu'il faut pour mettre en valeur le Yukon d'après les ressources que nous y voyons, pourrait aussi construire environ 65,000 habitations unifamiliales et financer la construction d'un nombre plusieurs fois plus grand. En tant qu'économiste, qui a fait une étude sur le Yukon, il ne revient pas à moi mais à vous, en tant que membres du Parlement, le soin de décider si le Canada a plus besoin de 65,000 habitations ou si, à long terme, il ne serait pas préférable d'investir cet argent, que ce soit de façon publique ou privée. Nous ne nous en tenons pas au secteur public parce que l'investissement privé est aussi impliqué dans le Yukon, en vue d'un profit que nous croyons tout à fait justifié—c'est-à-dire 1.4 milliard de dollars qui devraient rapporter—pour acheter des articles qu'on ne peut calculer sur une période trop longue, quelque chose comme un demi-milliard de dollars qui s'ajoutent au produit national brut du Canada. Évidemment les effets multiplicateurs en seront encore plus importants.

Mais, messieurs, vous savez mieux que moi que cela ne résoudra pas les problèmes de la pollution, de l'encombrement urbain, etc., mais, au meilleur de ma connaissance, je vous donnerai tous les renseignements que je tiens à ce sujet, mais en fin de compte ce sont les parlementaires eux-mêmes qui doivent trancher la question.

Le président: D'autres questions, monsieur Dinsdale et monsieur Borrie.

M. Dinsdale: Je regrette de n'avoir pu participer à la discussion auparavant. J'étais au Comité permanent de la radiodiffusion, des films et de l'assistance aux arts où on étudiait les barrières culturelles dans le domaine de la

[*Texte*]

preface that I heartily agree with the optimistic flavour of the discussion that is taking place here thus far and in particular the comments of Professor Anderson. The point that our Chairman raised I think is an important point with reference to transportation facilities in the North because our friend, Mr. Pickersgill, had precisely the same attitude towards the Pine Point Railway.

Mr. St. Pierre: And Roberts Bank.

Mr. Dinsdale: And Roberts Bank, yes. I think the thesis that has just been outlined by Professor Anderson, applied in that instance, was borne out. Transportation is important in all parts of the North and I am wondering if the witnesses would care to comment on the desirability of further rail transportation within the North, particularly to bring into production the rich iron ore deposits up in the Northwest Territories, the Yukon border and the Pelly River area. Would you compare that in its economic impact with the Pine Point in the Great Slave Lake area, for example?

• 1245

Dr. Carr: I would like Professor Anderson to speak on this too but we investigated this quite thoroughly because they are large volumes and it would make quite a difference on the traffic involved in railway transportation.

We found that under present technology and present market conditions the discoveries of iron ore in Australia have had a tremendous impact on the prices that are available for this. But it could not quite be economic and the companies themselves have concluded this under the present conditions of technology, and this is reaching rather far toward beneficiation of the ore—up to 85 per cent or this sort of thing—so it is a rather pure iron content compared to most ore. But we did not include this in our estimate projection of the mineral potential.

Mr. Dinsdale: Could an extension of the railway into that territory be integrated with the existing White Pass and Yukon Route railway? Its narrow gauge is a special problem. For example, would containerization resolve that difficulty to any great extent?

Dr. Carr: I might mention that the main body of minerals is in Tintina trench, the vicinity which runs from about Watson Lake. It is an extension of the Rocky Mountain trench, of course—the Tintina trench up through Pelly River and Dawson and on,

[*Interprétation*]

radiodiffusion. J'aimerais pourtant dire, en guise de préface, que j'approuve de tout cœur l'allure optimiste de la discussion et en particulier les commentaires du professeur Anderson. La question que monsieur le président a soulevée est fort importante en ce qui concerne les moyens de transport dans le Nord. Je crois que monsieur Pickersgill avait précisément la même attitude à propos du chemin de fer Pine Point.

M. St-Pierre: Et de Roberts Bank.

M. Dinsdale: Aussi. Je crois que la thèse que vient d'élaborer le professeur Anderson, et appliquée dans ce cas, était justifiée. Les moyens de transport sont importants dans tout le Grand Nord et je me demande si les témoins pourraient parler de l'avantage d'un autre réseau ferroviaire dans le Grand Nord surtout aux fins d'accélérer la production des riches mines de fer dans les Territoires du Nord-Ouest, la frontière du Yukon et la région de la rivière Pelly. Pourriez-vous comparer son incidence économique à celle du Pine Point dans la région du Grand Lac des Esclaves, par exemple?

M. Carr: J'aimerais que le professeur Anderson en parle aussi. Nous avons approfondi cette question parce qu'ils sont nombreux et cela pourrait faire une grande différence sur le trafic ferroviaire.

Nous avons constaté que dans l'état de la technologie actuelle et des conditions du marché, la découverte de gisements de fer en Australie a beaucoup influencé le prix de ce minerai. Il ne pourrait pas être économique et les compagnies elles-mêmes en ont décidé, dans la conjoncture actuelle, de concentrer les minerais jusqu'à 85 p. 100, ce qui représente un fer assez pur par rapport aux autres minerais. Nous n'avons pas tenu compte de ces faits dans nos extrapolations sur les minerais.

M. Dinsdale: Croyez-vous que le prolongement du chemin de fer dans ce territoire puisse être intégré au chemin de fer actuel *White Pass and Yukon Route*? Son gabarit étroit pose un problème spécial. Est-ce que la mise en récipient résoudrait la difficulté, dans une certaine mesure?

M. Carr: J'aimerais indiquer que le principal gisement de minerai se trouve dans la tranchée Tintina, région voisine de Watson Lake. C'est un prolongement de la tranchée des Montagnes rocheuses—la tranchée Tintina jusqu'à la rivière Pelly et Dawson et au-

[*Text*]

whereas the main iron ore is up in this vicinity and would still have quite a substantial distance to travel through rather rugged mountainous country. As you may know, a study has been made of the possibilities of running a railway from there down through Whitehorse and connecting on; in fact, running it right to Skagway because the White Pass and Yukon Route railway was considered inadequate for the volumes that would be carried. It was possible but the cost of this and the cost of transportation were considered to be excessive.

The Chairman: Mr. Borrie has a supplementary.

Mr. Borrie: Mr. Chairman, a moment ago we were talking about people with various ideas of where our priorities lie, and my question is to either one of the witnesses. Do you feel that more self-determination by the legislative body in the Yukon would, in fact, assist with the orderly development of the Yukon, or does it have to stay entirely under the wing of the federal government? Would such a legislative body encourage development of the Yukon much more?

Dr. Carr: This was not a part of our special study.

Mr. Borrie: No, I realize this.

Dr. Carr: We found there is a good deal of emphasis in briefs put on these questions, however, but in the main the one that pays the piper must call the tune, I think. So long as the great dominance of financing is from the federal government, then of necessity the distribution of responsibility must be in relation to that. The other problem, of course, is the size of the entity, which is a great handicap in terms not only of gross output but in population and such.

• 1250

Mr. Borrie: Either that or else go along with the proposal of economic regions of Premier Bennett and Premier Strom—extension of the provincial boundary.

Dr. Carr: We have not made a choice among those yet.

Professor Anderson: I was going to offer something in response to your question which might prohibit me from ever getting back into the Yukon safely. I have reservations, based on my earlier remarks, about something approaching provincial status.

[*Interpretation*]

delà—vu que le principal gisement de fer se trouve dans cette région et qu'il y aurait encore une grande distance à parcourir à travers une contrée de hautes montagnes, on a fait une étude sur la possibilité d'aménager un chemin de fer qui irait jusqu'à Whitehorse et où il y aurait jonction. En fait, en allant jusqu'à Stagway parce que la compagnie de chemin de fer White Pass and Yukon Route était impropre à transporter en si grande quantité le minerai. La chose était réalisable, mais le coût de la construction du transport a été jugé excessif.

Le président: Monsieur Borrie a une question supplémentaire.

M. Borrie: Monsieur le président, il y a un instant nous parlions de gens qui avaient différentes opinions au sujet des priorités. J'aimerais demander à un des témoins: Croyez-vous qu'une plus grande autodétermination du corps législatif dans le Yukon pourrait aider au développement ordonné du Yukon ou doit-il rester sous l'aile protectrice du gouvernement fédéral? Est-ce qu'un tel corps législatif au Yukon stimulerait plus le développement de cette région?

M. Carr: Cela ne faisait pas partie de notre étude.

M. Borrie: En effet, je le constate.

M. Carr: Nous avons constaté que certains mémoires ont beaucoup mis l'accent sur ces questions mais, pourtant, celui qui paie a bien le droit de choisir. Aussi longtemps que le gouvernement fédéral sera la principale source de financement, le partage des responsabilités doit alors être en rapport avec cet état de choses. L'autre problème, bien sûr, c'est la grandeur de ce territoire qui constitue un fort handicap non seulement pour la production mais aussi pour la population.

M. Borrie: Est-ce que vous convenez des propositions relatives aux régions économiques faites dans un autre rapport des premiers ministres Bennett et Stran au sujet de l'extension des limites provinciales?

M. Carr: Nous n'avons pas encore apporté une réponse à cette question.

M. Anderson: J'étais pour répondre à votre question d'une manière qui m'empêcherait peut-être de revenir en toute sécurité au Yukon. J'apporte quelques réserves basées sur mes observations antérieures concernant quelque chose qui s'approche du statut provincial.

[*Texte*]

This is an extractive economy. It will always be based on extractive processes of large scale. This means that in terms of population and in terms of the whole range of other kinds of activity which we normally associate with a province, there will likely not be that kind of development. All of the activity will be mineral oriented or service oriented to the people who are mineral oriented, and I suspect that population growth will be very modest. Let me say quite frankly that I worry about representatives of the people elected by constituencies as small as 500 to 1500 sitting down to work out a minerals deal in the board rooms of California. I do not know what kind of a deal can be made under those circumstances. Frankly, I worry about the benefits of Canadian resources going in an undue fashion outside the country.

Mr. Dinsdale: Have either of these witnesses been invited to the Northern Resource Conference in Whitehorse? Are you going in?

Mr. Borrie: If I might finish this off, on page 319 there was impressive evidence of general enthusiasm and so forth that the top enterprise people at the Yukon had attracted and held. I asked this question because of the high regard you appeared to have for the people involved in the development of the Yukon. Now does this not apply in respect of the Territorial Legislative Council as well?

Dr. Carr: Is that a fair question?

Mr. Borrie: No, it is not really a fair question, Mr. Chairman, and I will withdraw it.

The Chairman: Mr. Southam indicated he had a question.

Mr. Southam: Mr. Chairman, I realize we are running out of time, but I would like to join with other members of the Committee in expressing the thought that we have had a very useful discussion here this morning on development of the North. I have been very happy to hear Dr. Carr and Professor Anderson's comments.

I would like to ask a couple of relative questions that perhaps have been touched on. Of course the discussion is based around the pros and cons of a great deal of social capital versus private capital. I was interested in Professor Anderson's remarks regarding the infrastructure of a developing area. Of course, this is a very important factor in an area like the North where the population is

[*Interprétation*]

Il s'agit d'une économie fondée sur l'extraction—d'ailleurs elle le sera toujours—sur une grande échelle—ce qui signifie que pour la population mais aussi pour toute la gamme des activités généralement liées à une province, il n'y aurait probablement pas cette sorte d'évolution. Toute l'activité sera toujours centrée sur les mines et les services seront orientés de façon à répondre aux personnes qui vivent dans ce milieu, et la croissance de la population, pour moi, sera assez modeste. Je dirais même franchement que je m'inquiète au sujet des représentants du peuple élus par des circonscriptions dont la population n'est que de 500 à 1,500, qui vont s'asseoir dans les salles de conseil en Californie pour traiter d'affaires de minéraux. Je ne sais pas, au juste, ce qu'on peut trancher dans de telles réunions. Voilà ce qui me préoccupe; ce qui pourrait arriver, c'est que nos ressources canadiennes bénéficient à des étrangers.

M. Dinsdale: Est-ce que l'un ou l'autre des témoins a été invité à la Conférence des ressources septentrionales à Whitehorse? Y allez-vous?

M. Borrie: Si vous voulez bien me permettre de terminer, à la page 319, il y a une preuve impressionnante de l'enthousiasme et ainsi de suite que les principaux entrepreneurs au Yukon ont attiré et retenu. J'ai demandé cette question à cause de la grande estime que vous semblez porter aux gens qui s'intéressent au développement du Yukon. Est-ce que cela ne s'applique pas tout autant au Conseil législatif du Territoire?

M. Carr: Cette question est-elle équitable?

M. Borrie: Non, je ne crois pas que ce soit une question équitable et je la retire, monsieur le président.

Le président: M. Southam a indiqué qu'il avait une question.

M. Southam: Monsieur le président, je réalise qu'il ne me reste plus beaucoup de temps, mais je voudrais souscrire à l'opinion des autres membres du Comité, voulant que la discution ce matin ait été fort utile quant à la mise en valeur du Grand Nord, et je suis très heureux d'entendre le professeur Anderson et monsieur Carr, commenter à ce sujet.

J'aimerais poser deux questions relatives qui ont peut-être été abordées auparavant. Bien entendu, la discussion porte sur le pour et le contre d'une grande quantité de capital social contre le capital privé. Je me suis intéressé à la remarque du professeur Anderson au sujet de l'infrastructure d'une région en développement. Bien entendu c'est une chose fort importante dans une région telle que le

[*Text*]

so sparse. Would it be fair to infer, Professor Anderson, that it would be more practical for the time being to continue development by social capital input rather than private capital input in order to accelerate that development? I know that you have not specifically answered that quesion, but this is the inference I get from the tenor of the remarks this morning. In other words, it takes a vast amount of capital—and private capital sometimes does not have it available—to develop an area with the infrastructure that we have there.

Dr. Carr: As we suggest, there is room for half a billion of private capital, in our estimate, as against about $900 million of public capital, but this public capital is basically for the infrastructure to provide the foundation that Professor Anderson was speaking about.

Mr. Southam: Then I have not taken the right inference from your remarks regarding infrastructure. In other words, there is a vast difference in infrastructure, as you refer to it in the North, compared with a saturated population area like Ontario.

Dr. Carr: That is why so much public capital needs to go in at the beginning, but afterwards it will be more private capital.

Mr. Southam: Coming back again to the survey of potential power sites, you mentioned a vast potential there but that there has not been any actual engineering surveys in depth showing the cost of developing these power sites. Would you recommend that this be done and that government policy should dictate that it be done as soon as possible in order to further develop the economic possibilities of that area?

Dr. Carr: We would probably give priority to exploring the potential for coal—thermal plants. These could go hand in hand; for that matter, they should go hand in hand.

Mr. Southam: My question is based on the normal assumption that power and communication are of course two of the basic essentials to development in any area and that we should have all the best information available ahead of time in this respect.

Mr. Dinsdale questioned regarding the development of the railway. Now as a member of the Committee which went into the North I fully appreciate, and I think other members

[*Interpretation*]

Grand Nord où la population est si dispersée. Serait-il juste de conclure, professeur Anderson qu'il serait plus pratique pour le moment de continuer la mise en valeur en attirant le capital social plutôt que le capital privé pour accélérer le développement de ce secteur? Je sais que vous n'avez pas tout à fait tranché la question, mais c'est ce que j'ai cru comprendre de vos remarques, ce matin. Autrement dit, il faut beaucoup de capitaux du secteur privé, et celui-ci n'en dispose pas toujours pour établir les infrastructures nécessaires.

M. Carr: Comme nous le suggérons, il pourrait y avoir un investissement de 0.5 milliards venant du secteur privé au regard de 900 millions de dollars venant du secteur public, mais la part du secteur public est fondamentalement destinée à l'infrastructure qui fournira la base dont parle le professeur Anderson.

M. Southam: Comme cela, j'ai peut-être mal interprété vos propos au sujet de l'infrastructure. Autrement dit, il y a beaucoup de différence entre l'infrastructure dans le Grand Nord et l'infrastructure dans une région peuplée telle que l'Ontario.

M. Carr: Bien sur, c'est justement pourquoi la part du secteur public doit être si importante, par rapport à la part du secteur privé, qui viendra à augmenter.

M. Southam: Pour en revenir à la question d'énergie électrique et l'étude des emplacements hydrauliques, vous avez mentionné un fort potentiel dans cette région, mais qu'il n'y a pas eu d'études techniques approfondies quant au coût d'aménagement de ces emplacements. Est-ce que vous recommandez que cela soit fait et que le gouvernement le fasse le plus tôt possible pour accélérer l'expansion économique de ce secteur?

M. Carr: Nous donnerions probablement la priorité à l'exploration du potentiel des centrales thermiques au charbon. Ces études pourraient sans doute être faites côte à côte; comme question de fait elles devraient être faites côte à côte.

M. Southam: Ma question se fonde sur la supposition normale que l'électricité et les communications sont des choses essentielles pour le développement, et que nous devrions disposer de renseignements les plus précis possibles à ce sujet. Pour ce qui est de la question posée par M. Dinsdale, quant à l'aménagement des services ferroviaires. Je fais partie d'un Comité qui s'est rendu dans le Grand Nord, et j'ai pu me rendre compte,

[*Texte*]

do too, that although the extractive industry is basic the second of major importance is the tourist industry. This brings up the question of the further development of the Alaska Highway and the paving of it to encourage people to go up into that area and spend their tourist dollars. There is a terrific potential up there for the tourist industry as well. Was any consideration given by your committee in this respect, or was it just dealing with power?

Dr. Carr: No, we covered all resources including the tourist industry. Our recommendation on the Alaska Highway was for progressive improvement, starting with dust control, progressively paving those more difficult parts, and so on.

Mr. Southam: I understand from talking with people who have pioneered trips up past the area that was paved and further north into Alaska that they have nothing but acclaim for the beauty of the country and its tourist potential but they would not want to make a return trip under present conditions because of roads and wear and tear on cars. Here, again, is an area that we should be thinking very seriously of. As mentioned by Mr. Pickersgill, the completion of the paving of this road would represent quite an investment in dollars. However, I think that the capital and potential return to the economy of that area and to the general economy of Canada would be terrific. It is something that we should be giving serious consideration to and I just wondered what your opinion was on that particular point.

Dr. Carr: There was a special study made of this by the Stanford Research Institute in 1966-67 and it concluded that it was not justified.

I think our recommendations are probably more economically sound in that regard. We recommend a rather slower rate of paving but the use of binders to cut the dust down. The gravel road is not too difficult if the dust is laid. Of course we found also that the binders would prevent the gravel being thrown off and would save more than the binders probably would cost in terms of gravel and maintenance costs. This is something that would be feasible and could progress in this direction.

Mr. Borrie: Mr. Chairman, my observation on that is that the cost of paving the Alaska Highway runs between $200 million and $300 million and that there is a very extensive

[*Interprétation*]

comme bien d'autres députés, je crois, que l'industrie de l'extraction est fondamentale; elle est suivie par l'industrie touristique. Peut-être faudrait-il moderniser et paver la route de l'Alaska pour inviter les touristes à venir dans cette région et y dépenser leur argent. Les possibilités y sont formidables pour l'industrie touristique. Votre Comité a-t-il considéré cette possibilité, où s'est-il simplement intéressé à l'énergie électrique?

M. Carr: Non, nous avons étudié toutes les ressources, y compris l'industrie touristique et notre recommandation portait justement sur le réseau routier de l'Alaska; nous avons proposé qu'il soit amélioré progressivement, à partir du contrôle de la poussière, qu'il soit pavé progressivement aux endroits les plus difficiles, etc.

M. Southam: D'après les gens qui ont fait œuvre de pionniers et se sont aventurés au-delà de la partie qui est pavée et plus au nord en Alaska, ils n'ont que de l'admiration pour la beauté du pays et ses possibilités touristiques, mais ils ne voudraient pas y retourner à cause du présent état des routes et des dommages à leurs voitures. Je répète, nous avons là une région qu'il faut considérer très sérieusement. Comme l'a déclaré M. Pickersgill, l'achèvement du pavage de cette route représente un investissement considérable en dollars. Toutefois, je crois que les bénéfices en capitaux et en possibilités pour l'économie de la région et du Canada tout entier seraient formidables. C'est une question qu'il nous faut considérer sérieusement et je me demandais quelle était votre opinion à ce sujet.

M. Carr: Il y a eu une étude spéciale faite à ce sujet en 1966 et 1967 par le Stanford Research Institute; cette étude a conclu qu'il n'était pas justifié. Notre recommandation, je crois, est probablement plus valable sur le plan économique. Nous recommandons le pavage à un rythme plus ralenti, mais aussi l'usage d'agrégats pour réduire la poussière. Une route en gravier n'est pas si mal si la poussière est réduite. Bien entendu, nous avons aussi constaté que les agrégats empêcheraient le gravier d'être poussé dans les champs et économiseraient plus d'argent que leur coût, si on considère le coût du gravier et de l'entretien. C'est une chose qui est possible et progressive.

M. Borrie: Monsieur le président, j'aimerais souligner que le coût du pavage de la route de l'Alaska s'élèvent aux environs de 200 à 300 millions de dollars et que le ministère des

[*Text*]

program of binding going on this year by the Department of Public Works.

The Chairman: It is now 1 o'clock. Before asking for a motion for adjournment I would like to draw members' attention to the CBC Festival program coming up next Wednesday, March 26th. Paul St. Pierre is the author of a play called "Sister Balonika" which will be on for the full 90 minutes of the Festival program.

The subject is an Indian school in the Yukon and the star is Nancy Sandy, a Shuswap Indian. She played Phyllistine in an award-winning play some years ago called, "The Education of Phyllistine".

May I have a motion for adjournment?

Mr. Cullen: I move the meeting adjourn.

[*Interpretation*]

Travaux publics poursuit cette année un programme poussé d'agrégation.

Le président: Il est maintenant une heure. Avant de demander une motion d'ajournement, qu'il me soit simplement permis de signaler, à l'attention des membres du Comité, l'émission Festival de Radio-Canada du mercredi 26 mars. Paul Saint-Pierre est l'auteur d'une pièce intitulée «Sister Balonika»; elle sera reprise dans le cadre de l'émission «Festival», qui durera 90 minutes.

L'action se passe dans une école indienne au Yukon; le rôle vedette sera incarné par Nancy Sandy, indienne Shuswap, qui joua le rôle titre dans une pièce primée, il y a quelques années, appelée *L'Éducation de Phyllistine*.

Nous sommes saisis d'une motion d'ajournement.

M. Cullen: Je propose que la séance soit levée.

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman: IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

THURSDAY, MARCH 20, 1969

Respecting

Indian Affairs Programs

Presidents Subcommittee on Indian Affairs and Northern Development

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PROCÈS-VERBAUX ET TÉMOIGNAGES

(See Minutes of Proceedings)

(Voir Procès-verbaux)

EDMOND CLOUTIER, QUEEN'S PRINTER, OTTAWA, 1969
IMPRIMEUR DE LA REINE, OTTAWA, 1969

[Text]

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No. 15

THURSDAY, MARCH 20, 1969

LE JEUDI 20 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

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STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs.
et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,

Michael B. Kirby,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, March 20, 1969.
(16)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:20 a.m. The Vice-Chairman, Mr. St. Pierre, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Yewchuk—(14).

Witnesses: From Canadian Arctic Producers Ltd.: Mr. Eric Mitchell, General Manager, and Mr. Bruce Pearson, Economic Consultant; *From the Department of Indian Affairs and Northern Development:* Mr. J. W. Churchman, Director, Indian-Eskimo Economic Development Branch.

The Vice-Chairman called Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow the Committee to deal with the subject Handicrafts.

The Vice-Chairman introduced the witnesses and after each had made a statement, they were questioned.

During questioning,

On motion of Mr. Simpson, it was

Agreed,—That the Brief by Canadian Arctic Producers Ltd. be printed as an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix M*)

Later, it was

Agreed,—That Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70, be allowed to stand.

At 1:10 p.m., on motion of Mr. Dinsdale, it was

Agreed,—That the Committee adjourn to the call of the Chair.

Clerk of the Committee.

Michael B. Kirby,

Le secrétaire du Comité,

PROCÈS-VERBAUX

Le JEUDI 20 mars 1969.
(16)

(*Traduction*)

Le Comité permanent des Affaires indiennes et du Nord Canadien se réunit à 11h. 20 ce matin sous la présidence de M. St. Pierre, vice-président.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Yewchuk—(14).

Témoins: de la Canadian Arctic Producers Ltd.: MM. Eric Mitchell, directeur général, et Bruce Pearson, conseiller économique; *du ministère des Affaires indiennes et du Nord canadien:* M. J. W. Churchman, directeur de la Direction du développement économique des Indiens et des Esquimaux.

Le vice-président met à l'étude le Crédit 1—Administration, du budget du ministère des Affaires indiennes et du Nord Canadien pour l'année financière 1969-1970, de façon à permettre au comité d'étudier la question de l'artisanat.

Le vice-président présente les témoins et après l'exposé de chacun, on les interroge.

Durant la période de question,

sur une motion de M. Simpson,

il est convenu, d'imprimer le mémoire de la *Canadian Arctic Producers Ltd.* en annexe du compte rendu d'aujourd'hui. (*voir l'Annexe M*)

Il est aussi convenu que le Crédit 1—Administration, du budget du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970 soit réservé.

A 13h.10, sur une motion de M. Dinsdale,

il est convenu que le Comité s'ajourne jusqu'à nouvelle convocation du président.

29977—1½

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 20, 1969

• 1115

The Vice-Chairman: Gentlemen, I see a quorum.

I now call Item 1 of the Estimates of the Department of Indian Affairs and Northern Development for 1969-70.

Department of Indian Affairs and Northern Development

1 Departmental Administration including Northern Scientific Research, and Grants as detailed in the Estimates, $6,465,900

This will allow the Committee to consider the subject of handicrafts, gentlemen.

We are to have two witnesses before us this morning, although one of them has been held up by fog in Toronto.

The witness who is present is Mr. Eric Mitchell, General Manager of Canadian Arctic Producers. It may interest the Committee to know that Mr. Mitchell is a former Hudson's Bay post manager of several operations in the Arctic. He has been here since 1965, and his present position is General Manager of Canadian Arctic Producers.

Our second witness—if he comes through the fog of the day—will be Mr. Bruce Pearson. I will introduce him when and if he arrives.

Mr. Mitchell, would you like to make a general statement?

Mr. Eric Mitchell (General Manager, Canadian Arctic Producers): Gentlemen of the Committee, we submitted a written brief which you may, or may not, have at this point, but I would like to take this opportunity more or less to emphasize some of the items that have been outlined in the written brief.

There became apparent about 1963 the need of a central marketing organization to handle the production of Indian and Eskimo arts and crafts for the Northwest Territories. The various co-ops that existed at that time had neither the resources nor the ability to develop a market for themselves, or to establish a market price for their products.

[*Interprétation*]

TÉMOIGNAGES

[*Enregistrement électronique*]

Le jeudi 20 mars 1969

Le vice-président: Messieurs, nous avons le quorum. Nous allons étudier le crédit 1 du budget du ministère pour 1969-1970.

Ministère des Affaires indiennes et du Nord canadien.

1 Administration centrale, y compris, des recherches scientifiques sur le Grand Nord et des subventions selon le détail des affectations, $6,465,900.

Cela permettra au Comité d'étudier l'artisanat.

Nous devons avoir deux témoins ce matin, quoique l'un ait été retardé par le brouillard à Toronto.

Le témoin présent est M. Eric Mitchell, gerant général de la «Canadian Arctic Producers». Ce qui intéressera peut-être le Comité, c'est de savoir que M. Mitchell est un ancien gérant de comptoir de la compagnie Hudson's Bay dans l'Arctique. Il est là depuis 1965 et son poste actuel est gérant général de la «Canadian Arctic Producers».

Notre second témoin, s'il parvient à venir, sera M. Bruce Pearson. Il se présentera lorsqu'il arrivera.

M. Mitchell est-ce que vous désirez faire une déclaration?

M. Eric Mitchell (gérant général, Canadian Arctic Producers): Messieurs, nous avons présenté un mémoire par écrit que peut être vous avez en mains en ce moment. J'aimerais profiter de cette occasion pour faire ressortir les points saillants du mémoire.

Il est devenu apparent vers 1963 qu'il fallait établir une organisation centrale de commercialisation des produits de l'artisanat indien et esquimau dans les territoires du nord-ouest. Les diverses co-opératives qui existaient à l'époque, n'avaient ni les ressources, ni les capacités pour développer un marché pour ces produits, ni pour établir un prix

[*Text*]

To assist in this matter, the Department of Northern Affairs, as it was then called, created Canadian Arctic Producers in October 1965. The object of the company was to establish and maintain a viable dealer network and a market for the products of northern Eskimos and Indians.

The company hoped to contribute, as its objective, to the economic independence of the various Arctic communities which it services.

The organization of Canadian Arctic Producers is broken down into two parts. One segment, the fine arts division, handles the art objects, and the second division handles all craft items. The reason for this is that there are two distinctive markets. There is a fine arts market and there is a crafts market.

The policy in the company for handling these products became one of very wide distribution, to establish a very broad market, both in the arts and crafts field, through high-quality outlets. In this way the company has in three years increased its sales volume from approximately $60,000 to the present $800,000 that it now handles; and we are budgeting this year for $1 million.

We have established an international market of some 700 dealers in 11 countries. Nevertheless, the sales in Canada still represent the bulk of our market. Seventy-four per cent of all our sales are in Canada; 22 per cent cent in the United States; and 4 per cent in Europe.

• 1120

As a marketing organization we function essentially in a passive role. In other words, we have no control over the product, the price, the quality, or the delivery, of the items we endeavour to sell. These factors are in the hands of the people in the field, who are responsible for production.

Another problem we have is that we are indeed marketing a product which has little utilitarian function. Essentially our market is based on aesthetic appeal both with regard to the fine arts as well as the crafts. It is an emotional type of market and we are in competition with art from various other nations in the world, except in the case of the Eskimo-designed clothing.

Another problem we are faced with is the economics of pursuing this venture. There are great distances involved from the producer sources to the market agency in the south. Our collection area covers a range of approximately one million square miles. Freight costs

[*Interpretation*]

de commercialisation de ces produits. Pour aider dans ce domaine, le ministère du Nord canadien a créé la «Canadian Artic Producers» en octobre 1965. Il s'agissait d'établir un réseau viable de détaillants et un marché pour les produits des Esquimaux et des Indiens du nord.

La compagnie espérait contribuer à l'autonomie économique des habitants du Grand Nord.

L'organigramme de la «Canadian Arctic Producers» se divise en deux parties. La première est la division des objets d'arts et la seconde est la division qui s'occupe des objets d'artisanat. La raison de cela, c'est qu'il y a deux marchés distincts. Un marché des objets d'art et un marché des produits de l'artisanat.

La politique de la compagnie est d'obtenir une vaste diffusion pour élargir le marché, à la fois dans le domaine de l'art et celui de l'artisanat, par l'implantation de magasins sérieux. De cette façon, la compagnie a accru son volume de vente de $60,000 environ à $800,000. Nous croyons avoir cette année un budget de 1 million de dollars. Nous avons établi un marché international de quelques 700 détaillants dans 11 pays. Néanmoins, les ventes au Canada représentent toujours le gros de notre marché. 74 pour cent de nos ventes se font au Canada, 22 p. 100 aux États-Unis et 4 p. 100 dans les autres pays.

En tant que commercialisatrice notre organisation fonctionne essentiellement de façon passive. Autrement dit, nous n'avons aucun contrôle sur le produit, sur le prix, la qualité ou la livraison des produits que nous essayons de vendre. Ces éléments sont entre les mains des gens qui, sur place, sont responsables de la production. L'autre problème, c'est que nous essayons de commercialiser des produits qui ont peu de valeur utilitaire. Il s'agit essentiellement de débouchés fondés sur l'esthétique dans les secteurs des arts et de l'artisanat. C'est un marché que l'on pourrait qualifier d'émotionnel. Il y a beaucoup de concurrence aves les produits artistiques de divers autres pays, sauf évidemment dans la confection des vêtements esquimaux.

Un autre problème auquel nous devons faire face est l'aspect économique de l'entreprise. Les distances sont grandes entre les producteurs et les marchés du sud. Notre région de ventes s'étend sur à peu près 1,000,000 de milles carrés. Les prix sont

[*Texte*]

are high and this necessarily brings about the fact that as an economic, viable venture it can only be economical in one of its main functions. It can be economical for the producer providing the marketing agency is subsidized in some manner and it can be economical for the marketing agency providing the producer is subsidized in a like manner.

The thing that amounts to the main problem of the organization is the fact that the company operates on a 10 per cent commission. We have no capital except the initial $5 share capital. All inventories are on a consignment basis. The company is permitted to charge 10 per cent for its efforts. This is 10 per cent of the invoice price of our produce which we sell to the market. The balance of the operating cost is contracted to the government in the form of payments to make up the deficit of the operating budget.

One of the most severe handicaps of the company is that it has no capital to take advantage of current market potentials. Therefore, to alleviate this problem, we have submitted to government a proposal for capitalization, in which case the company would be capitalized to the extent that it would be able to pay its accounts receivable, purchase its inventories and carry on operations on a markup basis.

• 1125

I think the future of the company is very favourable. Essentially we are trying to utilize all the inherent skills of the Eskimo and Indian people; all of these things that permitted them to survive in the country in which they live. Take the Eskimo parka as an example. The Eskimo parka is not a compulsion to style and it is not a product of the imagination; it is something that the forces of nature have shaped upon men living in a cold environment. Our approach to the market is that we have something that is fundamental to the Eskimo and Indian people, it has no parallel anywhere, and we endeavour to the best of our ability to sell these things that the people created for their own survival, and these skills which are used in the creation of these things evolved through an educational process several thousands of years old. We endeavour to bring this to the market and to tap the already inherent skills of the people to exploit the southern market in such a way that a greater economic return will be returned to the north.

Briefly, that is essentially what we are all about. We have outlined this in greater detail in the submission that you have before you. I

[*Interprétation*]

élevés, ce qui, bien sûr, entraîne nécessairement, du point de l'économie, une entreprise qui n'est rentable que dans ses fonctions principales. L'entreprise n'est rentable pour le producteur que si l'agence de commercialisation, de quelque manière que ce soit, réussit elle-même à être subventionnée, de même que l'entreprise sera rentable si elle est aussi subventionnée.

Les principaux problèmes que rencontre notre organisation viennent du fait que notre société opère d'après une commission de 10 p. 100 et qu'elle n'a pas de capital sauf le capital initial provenant des parts à $5.00. L'inventaire se fait par consignation. La société a l'autorisation de prélever 10 p. 100 pour ses efforts, c'est à dire 10 p. 100 du prix de facture au marché. Le reste des coûts d'exploitation est affermé auprès du gouvernement sous la forme de versements qui permettent d'éliminer nos déficits.

Un des problèmes les plus graves de notre société est qu'elle n'a aucun capital pour profiter des marchés actuels. Pour atténuer ses problèmes, nous avons proposé au gouvernement un régime de capitalisation selon lequel notre société serait capitalisée dans la mesure où elle pourrait payer ses comptes à recevoir, acquérir ses stocks, et poursuivre ses opérations à profit.

L'avenir de la compagnie, à mon avis, est très prometteur. Essentiellement, nous essayons d'utiliser tous les talents des Esquimaux et des Indiens, tout ce qui leur a permis de survivre dans le pays où ils demeurent. Prenons par exemple le parka esquimau: ce vêtement n'affiche pas un style particulier, ne vient pas de l'imagination, il est conçu pour les gens qui vivent dans un milieu très froid. Voici comment nous abordons le marché: nous possédons un vêtement qui est fondamental chez les esquimaux et les indiens et n'a pas son équivalent ailleurs dans le pays et nous essayons, dans la mesure du possible, de vendre ces articles que les indigènes ont créé et d'employer les mêmes talents entrant dans la confection de ces vêtements, talents d'ailleurs déjà anciens; nous essayons donc de faire valoir ces talents sur les marchés afin d'exploiter les débouchés du sud de façon que la chose devienne rentable pour le Nord.

Voilà essentiellement et en bref nos objectifs; vous les trouverez en plus de détails dans le mémoire que vous avez devant vous.

[*Text*]

think at this point if there are any questions that members feel are pertinent, we will be quite happy to listen to them.

The Vice-Chairman: Thank you, Mr. Mitchell. Perhaps with the Committee's permission we could next hear from Mr. Pearson before going on to questioning. Mr. Bruce Pearson, who has just joined us, is a former general manager of CAP and he now their economic consultant. There are two other gentlemen I should introduce to the Committee. Mr. J. W. Churchman is the Director, Indian Eskimo Economic Development Branch, Economic Development Program, of the Department of Indian Affairs. Mr. John Evans is in charge of handicrafts. These gentlemen are not here as witnesses but they are available to assist the Committee this morning.

Mr. Pearson, would you now like to speak for a few moments?

Mr. Bruce Pearson (Economic Consultant and former General Manager, Canadian Arctic Producers): Thank you, Mr. Chairman. I really have very little to say other than to apologize to you and the Committee for being late. If this was a standing committee on Air Canada or on the wisdom of our forefathers in settling in Toronto where they did, we could go into it in more detail.

I would first like to perhaps emphasize what Mr. Mitchell has said. The prime concern, of course, of Canadian Arctic Producers at this juncture is the future and the necessity for independence, if you will, in terms of our ability to buy products. This in essence is the submission that we have put to government at this particular stage. Of course, this would enable us to carry on in a more businesslike fashion. I would also like to emphasize the fact that Canadian Arctic Producers is a business with particular objectives—and I think Mr. Mitchell has mentioned these objectives—and inasmuch as these objectives are consistent with the social good, if you will, of the Indian and Eskimo people, then I think to that extent Canadian Arctic Producers is really a social type of organization. We endeavour as closely as we can to run it as a business because we feel in so doing we will get efficiencies and we will optimize, if you will, on the sales potential that is available, and this is the kind of result we seek.

I think with those two comments, if I may, Mr. Chairman, I will turn the meeting back to you.

The Vice-Chairman: Thank you, Mr. Pearson. Mr. Deakon?

[*Interpretation*]

S'il a des questions à se sujet, je suis prêt à les entendre.

Le vice-président: Merci, Monsieur Mitchell. Si le Comité le permet, nous pourrions maintenant entendre M. Pearson avant de passer aux questions. Monsieur Bruce Pearson, qui vient tout juste de se joindre à nous, est un ancien gérant général de la société et il y est maintenant conseiller économique. Il y a deux autres messieurs que je devrais présenter. Monsieur J. W. Churchman, qui est le directeur des affaires indiennes au ministère des affaires indiennes et M. John Evans qui s'occupe de l'artisanat. Ils ne sont pas témoins ici, mais ils pourront aider le Comité ce matin.

Monsieur Pearson, à vous la parole.

M. Bruce Pearson (conseiller économique et ancien gérant général de la Canadian Arctic Producers): Merci, monsieur. J'ai très peu de choses à dire, sauf de m'excuser pour mon retard ce matin. S'il s'agissait d'un Comité permanent sur Air-Canada, nous pourrions entrer dans plus de détails, ou s'il s'agissait d'un Comité qui étudie le bien fondé d'avoir installé la ville de Toronto où elle est à l'origine de la colonie.

J'aimerais faire ressortir ce que M. Mitchell a dit. Nous essayons évidemment de rendre la société autonome, en ce sens que nous voulons pouvoir acheter des produits; voilà essentiellement le but du mémoire que nous avons présenté au gouvernement. Cette autonomie nous permettrait d'avoir une opération plus rentable. J'aimerais aussi faire ressortir que notre société est une entreprise d'affaires qui a des objectifs particuliers; je crois que M. Mitchell les a mentionnés. Dans la mesure où ces objectifs sont logiques et compatibles avec le bien public des esquimaux et des indiens, je crois que c'est là la mesure dans laquelle notre organisation peut se dire sociale. Nous essayons autant que possible de la faire rentable car nous croyons qu'ainsi nous deviendrons efficaces. Aussi, nous pourrons optimiser sur notre potentiel de vente et c'est là le résultat que nous désirons. Ces deux observations faites, monsieur le président, je vais vous remettre la parole.

Le vice-président: Merci, monsieur Pearson. Monsieur Deakon?

[*Texte*]

• 1130

Mr. Deakon: Thank you, Mr. Chairman. I notice that Canadian Arctic Producers is mainly controlled by the Co-Operative Union of Canada. Who are the members of the Co-Operative Union of Canada.

Mr. Pearson: I am afraid I do not know all the members of the Co-Operative Union of Canada. It is a co-operative of co-operatives, if I understand it correctly. Interprovincial Co-operatives, I believe, and Federated Co-operatives in the West are two that I know of that are members. Their particular role I expect is to foster co-operative movement but then again I do not know.

Mr. Deakon: What I really wondered, Mr. Chairman, is whether these co-operatives have membership of the Eskimo group. Does the white man control these co-operatives or are the Eskimos involved in these co-operatives?

Mr. Pearson: To a large extent, the original intent, which still is the intent, was that the various independent co-operatives of Eskimo people in the North, north of the 60th parallel, would form into three federations and these in turn would confederate, if you will. Eventually CAP would be part of that confederation. The CUC itself I believe is primarily a white co-operative, but someone may correct me on this.

Mr. Deakon: That is precisely my question and it follows with this question. Have the Eskimos any representatives on the Canadian Arctic Producers Limited?

Mr. Mitchell: Not at this time. This again, hopefully, through restructuring of the company in which their submission has been placed closer to government, will result in Eskimo representation on the board of directors. We employ Eskimo people in the operation of the company but at the moment there is no representation on the board.

Mr. Deakon: Does the Canadian Arctic Producers Limited have any representatives in Europe or the United States of America? I know that you are branching out your operation but have you any representatives in these areas?

Mr. Mitchell: Yes, we have a representative in Bonn, Germany, and we have an agent in Atlanta, Georgia. We also have an associated group in Ann Arbor, Michigan. These are basically marketing functions in efforts to develop the foreign markets.

[*Interprétation*]

M. Deakon: Merci, monsieur le président. Je constate que la société est contrôlée surtout par la *Co-operative Union of Canada.* Quels sont les membres de cette société?

M. Pearson: Je crains fort que je ne connais pas tous les membres de la *CUC.* Il s'agit d'un ensemble de coopératives canadiennes; les coopératives inter-provinciales et celles de l'ouest en font partie, à ma connaissance.

M. Deakon: Ce que je veux savoir, monsieur le président, c'est si ces coopératives ont des membres au sein des sociétés esquimaudes, ou est-ce seulement les Esquimaux qui sont membres de votre société?

M. Pearson: L'intention première, c'est qu'il y ait diverses coopératives d'Esquimaux et d'Indiens dans le Grand nord. Et depuis la mise en vigueur de cette mesure, nous essayons de les intégrer. On pourra peut-être me corriger en ce moment, mais je crois qu'en ce moment il s'agit avant tout d'une coopérative blanche.

M. Deakon: Voilà justement quel était le sens de ma question. Y a-t-il des représentants esquimaux au sein de la société Canadian Arctic Producers Limited?

M. Mitchell: En ce moment, non. Encore une fois, nous espérons qu'il sera possible selon nos nouvelles structures d'avoir des représentants esquimaux au sein du Conseil d'administration de notre société. Nous employons des Esquimaux en ce moment. Mais à l'heure actuelle, aucun n'est représenté au sein de notre administration.

M. Deakon: Est-ce que la société a des représentants en Europe et aux États-Unis? Je sais que vous essayez de diversifier vos opérations. Comptez-vous de tels représentants?

M. Mitchell: Oui, nous avons des représentants à Bonn en Allemagne. Nous avons des représentants à Atlanta, en Georgie. Nous avons aussi un groupe associé à Ann Arbor au Michigan. Il s'agit simplement de bureaux de commercialisation pour développer des débouchés à l'étranger.

[*Text*]

Mr. Deakon: Have you a contract of any kind with any advertising agency?

Mr. Mitchell: No, we do our own advertising.

Mr. Deakon: Do the buyers who purchase these articles from you come to you from all parts of Canada and all parts of the world, or do you ship the merchandise to where they are located?

Mr. Mitchell: Actually it is about a 50-50 type of operation. Approximately 50 per cent of our buyers buy by inspection by coming to our premises here in Ottawa. I hope that at some point perhaps the members will take the time to come down and see our operations on Catherine Street. The other half is done through correspondence communication and through establishing exhibitions of Eskimo art abroad, and from these exhibitions usually dealers are contacted and arrangements are made for establishing business communications and trade.

Mr. Deakon: Has there been any attempt, to your knowledge, to contact costume jewellers and see if the Eskimos could supply them with anything that they would be able to place on the market?

Mr. Mitchell: No. The function of the company is, as I mentioned earlier, a very wide distribution and very high quality outlets. In this way we prevent the proliferation of commodities in any one area. At the same time we maintain a high price structure. We are rather careful in our selection of dealers. We are responsible for the viability in the long run of this market. We must do all we can to prevent it from degenerating into a purely souvenir trade. I think in this respect we have been successful. Our problem is not one of marketing at the moment. Our problem is one of getting sufficient material to market.

• 1135

Mr. Deakon: In that case I presume you have made surveys of the marketing demands, of the demands of the public, for these various crafts, have you not?

Mr. Mitchell: Oh, yes.

Mr. Deakon: And you find the demand is great, is that correct?

Mr. Mitchell: The demand is exceedingly great, far beyond our ability to supply.

[*Interpretation*]

M. Deakon: Est-ce que vous avez des contrats quelconques avec des agences de publicité?

M. Mitchell: Non, nous nous en occupons nous-mêmes.

M. Deakon: Est-ce que les acheteurs viennent de toutes les parties du Canada, de toutes les parties du monde, ou est-ce que vous leur expédiez cette marchandise?

M. Mitchell: Disons que c'est à peu près moitié moitié. Soit les gens viennent sur les lieux ici, à Ottawa, pour se rendre compte et acheter; soit les affaires sont conclues par correspondance; on établit des expositions d'art esquimau à l'étranger. Nous organisons ces expositions qui permettent d'établir des contacts utiles pour faire des affaires.

M. Deakon: Est-ce qu'on a tenté, à votre connaissance, de se mettre en rapport avec des bijoutiers pour leur fournir de l'art esquimau ou des biens qu'ils pourraient mettre sur le marché, par exemple?

M. Mitchell: La fonction de la compagnie, comme je le mentionnais plus tôt, c'est de voir à la distribution et à la haute qualité du produit. De cette façon, nous empêchons la prolification des objets dans une région en particulier et nous permettons d'établir une haute structure de prix.

Nous choisissons soigneusement nos vendeurs, nous sommes responsables de nos vendeurs. Nous voulons éviter que cela dégénère en simple vente de souvenirs. Ce n'est pas un problème de commercialisation auquel nous avons à faire face actuellement. Nous avons un problème quant au stockage d'une quantité suffisante d'articles nécessaires pour la vente.

M. Deakon: Est-ce que vous avez fait des enquêtes sur les demandes du public?

M. Mitchell: Oh oui.

M. Deakon: Oui. La demande est grande, est-ce vrai?

M. Mitchell: Oui, la demande dépasse nos capacités de production.

[*Texte*]

Mr. Deakon: What have you done to satisfy this demand?

Mr. Pearson: Kept marking up prices, for one thing.

Mr. Mitchell: As I say, we have to play a passive role in this organization. We have no control over production, quality or delivery. We can relate our needs to the field and beyond that it is usually up to the people in the North to endeavour to fill them.

Mr. Deakon: Have you conveyed to the Eskimo people up north that the demand for their art is very, very great to encourage them to produce more of this?

Mr. Mitchell: We never encourage the Eskimos to produce more carvings. This would be a retrograde step. The minute you start mass-producing a thing that has artistic merit the quality drops, the value drops and so does your market. We realize that the company cannot expand its operation based on Eskimo art. We have to look for other sources of industry to expand upon. We must look for production that will permit the greatest number of people to participate, and in this respect we endeavour to promote very heavily Eskimo-designed clothing. Here is a function that most of the women in the Arctic can participate in.

Our expansion is based on this and various other handicraft items that do not require artistic skill or great craftsmanship. We cannot push the production of Eskimo carvings; otherwise, they would end up in drug stores and cigar stores at a very low price level competing with imports from Japan and various places like this.

Mr. Deakon: Mr. Chairman, I am thinking more along the lines of Mexico, for example, where you get the Aztec art. It is well known all around the world. They certainly cannot say they mass produce it, but they produce it as the demand requires. You distribute it all over the world and the world is still a big place, although it has shrunk because of our transportation systems, but you should be able to bring in a certain amount of revenue and give a certain amount of prestige to these Eskimos. I do not think personally that a person in a hotter climate is going to wear Eskimo clothing but he will probably want a carving or something.

[*Interprétation*]

M. Deakon: Et qu'est-ce que vous faites pour satisfaire la demande?

M. Pearson: Nous continuons à accroître les prix.

M. Mitchell: Nous jouons un rôle passif dans la production. Nous n'avons aucun contrôle de la production. Tout ce que nous pouvons vérifier, c'est la qualité. Nous pouvons dire aux gens du Grand nord quels sont nos besoins, et ils font leur possible pour nous permettre de faire face à nos demandes.

M. Deakon: Cela met en cause les Esquimaux? Vous leur dites que leurs pièces d'art sont très belles et qu'elles pourraient bien se vendre s'ils en fournissaient plus?

M. Mitchell: Nous encourageons les Esquimaux à produire plus de sculpture Dès que vous commencez à faire de la production en masse, je crois qu'au point de vue artistique, la qualité diminue. C'est pourquoi nous n'encourageons guère les Esquimaux à faire de la production en masse. Il ne s'agit pas d'inonder le marché. Nous nous rendons compte que la société ne peut pas prendre de l'expansion seulement en se fondant sur l'art esquimau. Elle doit trouver d'autres ressources pour prendre de l'expansion. Elle doit voir à la production pour permettre au plus grand nombre de gens de participer, et à cet égard, nous tentons de promouvoir la vente des vêtements fabriqués par les Esquimaux. C'est une fonction que les femmes de l'Arctique remplissent très bien et c'est une activité à laquelle elles se livrent.

Il y a la question des artisanats qui n'exigent pas de très haute compétence artistique. Nous ne pouvons donc pas pousser la production de l'art esquimau pour essayer de fournir des souvenirs à bas prix aux pharmacies, aux marchands de souvenirs, aux bazars, où nos produits entrent en compétition avec les produits japonais.

M. Deakon: Monsieur le président, je pense par exemple à l'art aztèque qui est connu à travers le monde. Mais sans produire en masse, est-ce qu'on ne peut pas essayer de produire davantage? Cela est distribué à travers le monde. Vous devriez être en mesure de tirer un certain revenu et apporter aussi un certain prestige pour les Esquimaux en faisant cela. Je ne sais pas si un amateur vivant sous des cieux plus cléments portera un vêtement esquimau tandis qu'il acheterait fort probablement une sculpture.

[*Text*]

Mr. Mitchell: This is right. We have done this. We have brought this thing from $60,000 a year to a budget of $1 million this year. There are only 12,500 Eskimos.

Mr. Deakon: Yes, but would you not agree with me that if you can do it at $1 million, you could do it at $10 million if you wanted?

Mr. Mitchell: This is the ultimate aim.

Mr. Deakon: The majority of that money would go to the Eskimos.

Mr. Mitchell: This is right. This is what we are trying to do, but we cannot do it through Eskimo carvings without ruining the market for Eskimo carvings.

Mr. Pearson: If I might add to that for a moment there are two things that we are attempting to expand. One is to develop new areas where there is not much carving being done. We do not attempt to push the output of individuals who are presently producing to a fairly great extent already, but rather where there are not many carvings coming in.

A great deal of this, of course, has to do with the financial end too. If money were available to buy more carvings, for example—Eskimo people are like so many of us in that they like to get paid immediately for what they produce.

Mr. Deakon: I have more questions to ask but I think, Mr. Chairman, some of the other members of the Committee should take the floor.

The Vice-Chairman: Mr. Kaplan, you are next on my list.

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Mr. Kaplan: Thank you, Mr. Chairman. I just have a few questions. A few weeks ago I visited the Smithsonian Institute in Washington and they had a beautiful display of Eskimo sculpture for sale. One remarkable piece was selling for $325 U.S. What would be the return to the Eskimo who carved that particular work?

Mr. Mitchell: We supply the Smithsonian Institute with quite a lot.

Mr. Kaplan: It is absolutely first rate, not just Eskimo craft but art as far as I am concerned.

[*Interpretation*]

M. Mitchell: Cela est très juste. Nous avons fait passer le chiffre des sculptures de 60 mille dollars par année à 1 million de dollars, et pourtant le nombre d'Esquimaux n'a guère augmenté.

M. Deakon: Vous pourriez bien faire passer ces chiffres à 10 millions, si vous le vouliez.

M Mitchell: C'est notre but principal.

M. Deakon: Les Esquimaux en retireront la majeure partie.

M. Mitchell: Oui, c'est ce que nous tentons de faire. Mais nous ne pouvons pas le faire uniquement en nous fondant sur les sculptures esquimaudes.

M. Pearson: Je crois que les sculptures sont des choses auxquelles nous tentons de donner de l'expansion. L'une des idées c'est de développer de nouvelles régions où on ne fait guère de sculptures et de promouvoir la sculpture dans ces régions, d'encourager les individus, les personnes qui actuellement fournissent déjà des sculptures à en produire davantage. Dans les cas où il n'y a pas beaucoup de sculptures qui sont produites, nous tentons d'en faire produire davantage.

Il y a des problèmes financiers en cause ici, car si des sommes étaient disponibles pour acheter plus de sculptures, par exemple. Les Esquimaux, comme la plupart d'entre nous, aiment à être payés immédiatement pour ce qu'ils produisent. C'est donc aussi une question de pénurie de fonds.

M. Deakon: J'aurais d'autres questions, monsieur le président, mais j'y reviendrai plus tard.

Le vice-président: Monsieur Kaplan.

M. Kaplan: Je n'ai que quelques questions. Il y a quelques semaines, j'ai visité l'Institut Smithsonian à Washington Ils ont un bel exhibit de sculptures esquimaudes, et une de ces pièces se vendait $325.00 en dollars américains. Combien l'Esquimau qui a sculpté cette pièce recevra-til?

M. Mitchell: C'est nous qui fournissons les objets d'art qui sont en vente à l'Institut Smithsonian.

M. Kaplan: C'était de l'art sous sa forme la plus pure, c'était de l'art de qualité, non pas seulement de l'art esquimau mais de l'art de première qualité.

[*Texte*]

Mr. Mitchell: The retail mark-up on Eskimo art is approximately 50 per cent of the selling price or 100 per cent of our cost selling price. The bulk of supply comes from Eskimo co-operatives. We remit to the Eskimo co-operatives 90 per cent of our selling price so if that carving was selling for $300 it was purchased for approximately $150, and we remitted back to the Eskimo co-operative $135.

Mr. Kaplan: And when would the Eskimo get the money?

Mr. Mitchell: Well this is the bind that we are in. This is the whole object of endeavouring to be capitalized. From the time a co-operative is financed, say for $5,000 or $10,000, it proceeds with a purchasing program from the community. It may spend $2,000, $3,000 or $4,000 in a month. It takes three weeks, a month or perhaps two months to get this product to the marketing agency. It may sit in our warehouse a number of days before it is opened. It is then opened, re-assessed for market value, put on the shelves and if it is good it sells quickly. Then there is a lapsed time of collection. We have to wait until we ourselves collect on the sale of these carvings. This period could be from 30 to 60 to 90 days.

Consequently, from the time that the co-op purchased that shipment you may have an elapsed time of three to four months.

Mr. Kaplan: This is not your area, but who funds the co-ops? Is it the community itself that funds them or does the government do that?

Mr. Mitchell: There are some co-ops that are self-funded. I believe that most of them are through Eskimo loan funds.

Mr. Pearson: That is government Eskimo loan funds?

That lapsed time of three or four months that might take place is in respect of the co-operative or the organization, but the actual carver would get his money immediately from the co-op.

Mr. Kaplan: Would you, in your judgment, say that this cash flow problem restricts the amount of art that is produced?

Mr. Pearson: We are certainly told so by the co-operatives.

Mr. Kaplan: In other words, if they had more funds they could be producing more work.

Mr. Pearson: Yes, if they could turn their working capital over faster, they would produce more.

[*Interprétation*]

M. Mitchell: Le prix de vente est à peu près 50 p. 100 au-dessus du coût. Nous remettons à la Coopérative esquimaude 90 p. 100 du prix de vente; soit, sur une sculpture d'à peu près $300.00, à peu près $135.00 que nous remettons à la Coopérative esquimaude.

M. Kaplan: Et quand les Esquimaux recevront-ils cette somme?

M. Mitchell: C'est le problème auquel nous tentons de faire face actuellement. Au moment où une coopérative se finance, disons de $5,000 à $10,000, elle établit un programme d'achat dans la collectivité. Elle peut dépenser $2,000 ou $3,000 dans un mois. Il lui faut à peu près trois semaines, un mois ou deux mois pour que le produit soit livré à l'agence qui s'occupe de la mise en marché. Il peut rester un certain nombre de jours dans nos entrepôts avant que les marchandises ne soient déballées, placées sur les étagères et si le produit est jugé bon, il se vend assez vite. Puis on doit attendre un certain temps pour encaisser le produit de vente des sculptures. Ca peut prendre de 30, à 60 à 90 jours.

Par conséquent, à partir du moment où la coopérative a acheté le produit, il passera de trois à quatre mois.

M. Kaplan: Ce n'est pas votre domaine, mais savez-vous qui fournit les fonds à la coopérative? Est-ce que c'est la collectivité qui la finance ou si c'est le gouvernement?

M. Mitchell: Certaines coopératives se suffisent à elles-mêmes, mais je crois que la plupart reçoivent de l'aide du gouvernement.

M. Pearson: Oui, ce sont des fonds de prêts aux Esquimaux. La période de trois ou quatre mois qui s'écoule entre la vente et l'encaissement concerne uniquement la coopérative ou l'organisation, car le sculpteur reçoit son argent immédiatement de la coopérative.

M. Kaplan: D'après vous, ce problème d'argent réduit-il la quantité de pièces sculptées?

M. Pearson: C'est ce que les coopératives prétendent.

M. Kaplan: En d'autres termes, s'ils avaient plus de fonds, ils pourraient produire plus d'objets d'art.

M. Pearson: Oui, s'ils avaient un roulement de fonds plus rapide, ils produiraient plus.

[*Text*]

Mr. Kaplan: Do you think it can be turned over faster in the normal marketing process, or is it just a matter of having to put more money in? From what you said, I cannot really see that the process could be carried out much more quickly.

Mr. Pearson: Well if we could rebate to the co-operative on receipt of goods we would cut down by at least one-half the elapsed time. In other words, as soon as we received a shipment we would open it and repay in a week, say, rather than having to wait through the inventory cycle and the accounts receivable cycle.

Mr. Kaplan: What is the present status of your submission.

Mr. Pearson: When last heard of, I understand it had reached some level fairly high up—the Treasury Board or something of this nature. Perhaps these gentlemen could help us out with that, I really do not know.

Mr. Kaplan: There is one other area that I would like to get into. Is yours the only agency that markets the crafts of the north, or do co-operatives have other opportunities to go directly to the market?

Mr. Mitchell: There is an agency in Lévis, Quebec which handles the northern Quebec co-operatives groups. The Hudson's Bay Company sells Eskimo carvings. The co-ops themselves are free to use whatever methods or means at their disposal to market their produce. They are not compelled to ship to Canadian Arctic Producers, they may ship direct to dealers, if they so wish. Basically, there are three groups active in this field: la fédération des Co-opératives du Nouveau-Québec at Lévis; the Hudsons' Bay Company and Canadian Arctic Producers.

Mr. Kaplan: It struck me, from what you said, that there is a serious gap in the whole process of bringing crafts to market and the relationship, let us say, that the craftsman has with his customer. You indicated that you do not have any control over quality or supply at the level of production, yet you are the agency that has or should have the skill and the knowledge which would be very useful to the craftsman to know what he should be producing, what products he should be concentrating on and what quantities of particular products he should be producing. Just to conclude, do you think there would be some

[*Interpretation*]

M. Kaplan: Croyez-vous que le roulement de fonds se ferait plus rapidement dans un processus de commercialisation normal ou s'agit-il d'investir plus de fonds? Par ce que vous venez de nous dire, je ne vois pas comment le roulement pourrait se faire plus rapidement.

M. Pearson: Si nous pouvions payer les coopératives sur réception des marchandises, nous réduirions le temps nécessaire au moins de moitié. En d'autres termes, dès la réception d'un envoi, nous pourrions ouvrir les marchandises et régler le montant dans un délai d'une semaine au lieu d'attendre la fin de l'inventaire.

M. Kaplan: Où en est votre proposition à l'heure actuelle?

M. Pearson: Si je comprends bien, elle se trouve quelque part au Conseil du Trésor. J'espère que ces messieurs pourront nous donner un bon coup de main.

M. Kaplan: Il y a un autre domaine dont je voudrais parler. Est-ce que vous êtes le seul organisme qui s'occupe de commercialisation des œuvres d'art du Nord ou est-ce qu'il y a des coopératives qui peuvent aller directement sur le marché vendre leurs produits?

M. Mitchell: Il y a à Lévis, (Québec), un organisme qui représente des groupes de coopératives du Nord du Québec. Il y a aussi la Compagnie de la baie d'Hudson qui vend des sculptures esquimaudes. Les coopératives peuvent s'adresser .. utiliser la façon qu'ils désirent pour vendre leurs produits. Ils ne sont pas obligés de faire parvenir à la «*Canadian Arctic Producers*» leurs produits. Ils peuvent choisir la méthode qu'ils veulent. Les trois groupes qui s'occupent de la commercialisation sont: La Fédération des coopératives du Nouveau-Québec, à Lévis, la Compagnie de la Baie d'Hudson et la «Canadian Arctic Producers».

M. Kaplan: D'après ce que vous dites, il me semble qu'il y a une sérieuse lacune dans tout le processus de commercialisation et dans les relations qui existent entre les producteurs et le client. Vous avez mentionné que vous ne détenez aucun contrôle sur la qualité et la fourniture au niveau de la production. Et cependant, c'est vous l'organisme qui a ou qui devrait avoir la compétence et les connaissances qui seraient utiles aux artisans, de savoir qu'est-ce qu'ils devraient produire, sur quels produits ils devraient se concentrer, quels articles ils devraient produire. Pour terminer, croyez-vous qu'il y aurait des avantages à

[*Texte*]

advantage in providing a greater feed-back from the level of retail consumption to the craftsman?

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Mr. Pearson: Yes, I would say that there would be some benefits as these developed. As the co-operatives begin operating in a wider range of areas our feed-back is reasonably good to them. For example, on every shipment there is a comment that goes back as to the quality and so on.

Mr. Kaplan: Do they know very promptly what goods they have shipped remain sitting on the shelf and what was taken up the day it arrived?

Mr. Pearson: Oh, yes, they have a monthly report on inventory sales, their accounts receivable position of the individual co-op and so on every month.

Mr. Kaplan: And it indicates to them what particular items have moved?

Mr. Pearson: No, not what particular items have moved. It indicates their inventory position. They would have a report on a shipment on what the assessment of quality was and of course they would also see the price that we marked it up to, if you will. We reprice when it comes in. So they would see the difference between what their price was when they sent it down to us and what we ultimately sold it for or were asking for it, and then we would rebate the difference.

Mr. Kaplan: Can I take it then that the craftsman has absolutely no way of knowing anything about future trends in the market, he does not hear from people who survey the market and try to ascertain what the public taste is, whether moccasins are in or out or whether beaded purses would sell?.

Mr. Pearson: No, I do not think we can say that. Trends in new product development that we may think of or what we may see there is need for in the market are related back. At this juncture the Department is responsible for the level of organization in parts of the Arctic and, in other parts of the Arctic, the territorial government is essentially responsible for the production end.

Mr. Mitchell: We relate back to the co-op itself, not to the individual Eskimo. We

[*Interprétation*]

fournir un plus grand nombre de renseignements du niveau de la vente en détail jusqu'à l'artisan?

M. Pearson: Je le crois, oui. Je crois qu'il y aurait des avantages par cela au fur et à mesure que cette industrie se développe. Comme les coopératives commencent à fonctionner dans un plus grand nombre de secteurs, les renseignements que nous renvoyons leur sont très utiles. Sur tout envoi de marchandise que nous recevons, nous leur envoyons nos commentaires quant à la qualité, etc.

M. Kaplan: Est-ce que vous leur dites promptement quels sont les articles qui se vendent dès leur arrivée et ceux qui ne bougent pas des tablettes?

M. Pearson: Oh oui, ils reçoivent un rapport mensuel sur le chiffre de ventes, les comptes recevables de leurs coopératives et autres renseignements.

M. Kaplan: Ces rapports indiquent-ils aussi les articles qui ne se sont pas vendus?

M. Pearson: Non, peut-être pas chaque article en particulier, mais leur donne un aperçu de notre inventaire. Ils reçoivent un rapport sur les envois de marchandises, ce qui leur permet d'avoir une idée de l'évaluation qui a été faite au sujet de la qualité. Enfin, ils peuvent aussi s'en rendre compte par la façon dont nous fixons le prix des articles. Ils nous l'envoient en nous indiquant leurs prix et ils s'aperçoivent ensuite du prix auquel nous avons réussi à le vendre ou nous avons tenté de le vendre.

M. Kaplan: Dois-je comprendre que l'artisan n'a aucune façon de savoir quelles seront les tendances futures du marché par exemple. Il n'entend pas parler des gens qui étudient le marché de façon à savoir quel est le goût du public, et de savoir si les mocassins sont en vogue ou non, ou si les porte-monnaie garnis de perles se vendent bien ou non?

M. Pearson: Non, je ne pense pas que nous puissions dire cela. Les renseignements sur les tendances, sur le développement d'un nouveau produit, sur les produits qui à notre avis pourraient bien se vendre ou qui sont exigés par le marché leur sont transmis. Dans ces circonstances, c'est le Ministère qui est responsable dans certaines parties de l'Arctique, le gouvernement des Territoires se charge surtout de la production.

M. Mitchell: Nous transmettons les renseignements directement à la coopérative et non

[*Text*]

endeavour to give the different co-ops a production figure each year which we feel we could sell in the utilitarian field, for instance garments and things like that. We place orders with the co-ops for these items. We communicate directly with the co-ops in regards to trends, to price, quality and delivery. Now it is up to the co-op at that level to communicate—

Mr. Kaplan: Well that is sort of *ex post facto* and—

Mr. Mitchell: Yes.

Mr. Kaplan: —they can draw conclusions from that, but would it not be better if someone would tell them for example that beaded purses are very popular this season, if they are.

Mr Pearson: Well we place an order for beaded purses, if they are popular.

Mr. Kaplan: Oh, you do.

Mr. Pearson: Yes, definitely. We will place an annual order or we will place orders at any time for that item.

Mr. Kaplan: Thank you very much, Mr. Chairman.

The Vice-Chairman: Mr. Gundlock, you are next.

Mr. Gundlock: I am sorry, Mr. Chairman, that I was called out. However, it was a very happy occasion because a retailer from Waterton Lakes Park who sells much of this handicraft called me from the CAP office here in Ottawa. He is down here looking things over and expecting to order for next year's business. It tied in very well. I said: "I am here and you are there, and we are talking about it right now."

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I would like to make a point that I have been trying to make for many years here in Ottawa. Rather than perhaps CAP I would suggest an organization that would bring together native crafts from other sources as well. In particular, I am thinking of the southern Indians. Would the witness comment on what his thoughts would be in this connection?

I note from the report that we have before us that it seems to be a very successful opera-

[*Interpretation*]

pas à l'esquimau en particulier. Nous essayons de fournir chaque année aux diverses coopératives nos prévisions concernant la vente dans le domaine des produits utilitaires tels que les vêtements et d'autres articles du même genre. Nous commandons ces articles des coopératives auxquelles nous communiquons les tendances du marché, les prix, la qualité et la livraison.

C'est aux coopératives, à ce niveau-là, de communiquer.

M. Kaplan: Ils peuvent tirer des conclusions à partir de ces faits.

M. Mitchell: Oui.

M. Kaplan: Ils peuvent en tirer les conclusions mais est-ce que ce ne serait pas mieux que quelqu'un leur dise, par exemple, que telle chose est très populaire cette saison.

M. Pearson: Si les petits porte-monnaie sont populaires, nous en commandons.

M. Kaplan: Vraiment.

M. Pearson: Oui, certainement. Nous leur plaçons une commande annuelle ou à un moment donné nous leur disons: Ceci se vend très bien alors nous en voulons une très forte quantité. Cela leur indique qu'est-ce qui se vend bien à ce moment-là. C'est exact.

M. Kaplan: Merci beaucoup, monsieur le président.

Le vice-président: Monsieur Gundlock.

M. Gundlock: Je regrette, monsieur le président, d'avoir dû quitter. C'était une occasion très heureuse. Un détaillant de Waterloo Lakes et qui vend de grandes quantités d'articles de ce genre m'a appelé du bureau de la «Canadian Arctic Producers» ici à Ottawa. Il est ici pour faire des commandes pour l'année prochaine. Je lui ai dit: Je suis ici, vous êtes là-bas, et nous en parlons maintenant.

Il s'agirait peut-être d'une observation que je voulais formuler depuis plusieurs années à Ottawa. J'aimerais proposer l'établissement d'une organisation qui assemblerait des objets d'art indigène provenant d'autres sources aussi. Je pense surtout aux Indiens du Sud. Le témoin voudrait-il nous donner son point de vue à ce sujet? A la lecture du rapport que nous avons en mains, il semble que cette entreprise connaisse beaucoup de succès. Il faut d'autres sources mais, selon moi, il faut

[*Texte*]

tion. There is a need for other sources and to me there is also a need for amalgamation, shall we say. It comes from the Department as a whole or in general, in other words, and there are many sources like the example I have just mentioned. I would like to discuss this a little. It may be somewhat out of line, Mr. Chairman, but I would like to have your ideas on that.

The Vice-Chairman: Perhaps one or both of you gentlemen might like to answer this.

Mr. Mitchell: I think perhaps we both can contribute something to answer this question. First of all, the CAP was set up solely as an agency for the Northwest Territories and not for the southern Indians. We do handle Indian craft work from the Mackenzie River but we are not permitted to offer our services to the southern Indian groups that are involved in craft productions.

Mr. Gundlock: I appreciate this, Mr. Chairman, but what I am trying to say really—and I may as well be frank about it—is, would you consider a proposition like this to make it a native thing? We all know in public relations and in sales there is sometimes a psychological block—it may be Arctic in particular—but perhaps there is something else that they want, or they do not want to look at Indian-Eskimo-Metis. Frankly, I would like your opinion on that.

I have, as I say Mr. Chairman, for many years pushed this very thing; to get rid of—to speak quite frankly—the "Indian-Eskimo-Metis" and bring it down to Canadian native; native of Canada.

Mr. Pearson: Yes, I can . .

Mr. Gundlock: It would broaden the scope; it would delete, shall we say, certain sections. If you do not want something from the Arctic, you can have it from the South; if you do not want something from the South, you can have it from the Arctic—the material itself.

Mr. Pearson: This has been considered to some extent. The problem of using Canadian Arctic Producers at this particular juncture is that we have to remember that it is a very young organization and it has grown at a tremendous rate. I happen to believe that organizations have to develop over a period of time. At this juncture I think the Indian arts and crafts problem is a very serious one. There is a much more complex and wider market where the production sources are far more varied, both geographically and in content, and there is little organization.

[*Interprétation*]

aussi amalgamer, si je puis dire. Il y a d'autres sources, j'en ai donné un exemple. Ce n'est peut-être pas tout à fait recevable, monsieur le président, mais je voudrais avoir votre opinion sur la question.

Le vice-président: Peut-être que l'un d'entre vous, messieurs, pourrait répondre à cela.

M. Mitchell: Nous pourrions peut-être répondre tous les deux à cette question. D'abord, le CAP a été établi pour les Territoires du Nord-Ouest et non pas pour les Indiens du Sud. Nous vendons les articles d'artisanat indien du Fleuve Mackenzie, mais nous n'avons pas le droit d'offrir nos services aux autres groupes indiens du Sud qui se livrent à l'artisanat.

M. Gundlock: Je vous remercie, monsieur le président, mais je veux tout simplement dire, et cela en toute franchise, je veux vous demander si vous seriez prêt à en faire une chose indigène? Nous savons tous qu'il y a certains obstacles psychologiques, mais ne pourrait-on pas essayer de mettre fin à cette division entre les Indiens, Esquimaux et Métis? Franchement, je voudrais connaître votre point de vue?

Comme je l'ai dit, monsieur le président, depuis plusieurs années, j'ai réclamé précisément cela; j'aurais voulu qu'on se débarrasse de cette distinction entre les Indiens, les Esquimaux et les Métis, pour utiliser les mots indigènes canadiens, indigènes du Canada.

M. Pearson: Oui, je peux. . .

M. Gundlock: Cela élargirait l'optique; ceci permettrait de faire disparaître certaines distinctions. Si vous ne voulez pas quelque chose de l'Arctique, vous pouvez l'obtenir du Sud, et réciproquement.

M. Pearson: On y a songé dans une certaine mesure. La question d'avoir recours à Canadian Arctic Producers oblige a se rappeler que cette organisation est encore très jeune et qu'elle s'est développée a une vitesse extrêmement élevée. Je pense que les organisations doivent pendre le temps de grandir. Le problème de l'artisanat indien, est un problème assez grave. Il y a un marché plus complexe et plus large si les sources de production sont plus variées, tant du point de vue géographique que du point de vue de leur contenu, il y a très peu d'organisation.

[*Text*]

Indeed, I would have to say that if we wanted to describe it we would say we have chaotic market situation among Indian arts and crafts. There is no question about that. All the power rests with the buyer, the retailer and so on because he can trade one small Indian group off against another. To dump that total set of problems on CAP at this particular juncture in my opinion would be to risk unduly the ability of CAP to absorb it organizationally, financially and in every other way.

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I think there is more efficiency to starting an organization to handle Indian arts and crafts at this juncture. Possibly in the future, as it develops and gets more experience and so on, they could amalgamate. But I think if you just push these total problems on to CAP and its existing organization and management you run the risk of its being able to survive as an organization.

Mr. Gundlock: I appreciate that very much, as a matter of fact. I am trying to compliment you upon your arriving where you have in such a short time. Really looking into the future, an organization such as yours that has been so successful apparently—I am not saying now—I just wonder whether this could not be considered.

Mr. Pearson: In the future—the longer run—it definitely could be considered. In the short run I feel that a small and flexible organization such as CAP is the answer to the very complex kinds of problems. It can adjust very quickly, it can move very readily, and you are not risking undue amounts of money or effort by making mistakes. The mistakes are small at the start and the marketing organization sort of builds as you make some sense out of the production resources you have. This was, in a sense, what CAP had.

I would not recommend that CAP take over the southern Indian arts and crafts marketing program. But certainly I think that CAP would look upon any such endeavour as a sister organization, if you will, give it the benefit of any experience we have and certainly give it the benefit of any merchandising know-how that we have developed or have experienced. We have offered to do this on many occasions.

Mr. Gundlock: Thank you, Mr. Chairman.

The Vice-Chairman: Mr. Cullen, you are next on my list.

Mr. Cullen: Thank you, Mr. Chairman. I know, gentlemen, that you are interested in

[*Interpretation*]

En fait le marché actuel, de l'art et de l'artisanat indien, est plus chaotique. Ce sont les acheteurs, les détaillants et autres qui ont tous les pouvoirs, car ils peuvent se servir d'un petit groupe d'indiens contre un autre. Rejeter tous ces problèmes sur le CAP à ce moment-ci, ce serait risquer de compromettre la capacité de CAP de prendre en charge cette fusion des différents groupes de production.

Je crois qu'il vaudrait mieux mettre sur pied une organisation pour s'occuper de l'artisant indien, puis avec le temps et l'expérience, les deux organisations pourraient fusionner. Mais, si vous rejetez tous ces problèmes sur le CAP, son organisation et sa direction, vous risquez de mettre sa survivance en danger.

M. Gundlock: Je me rends compte de cela. Et j'essaie de vous féliciter pour ce que vous avez fait en si peu de temps. Si l'on regarde l'avenir, une organisation comme la vôtre, qui a connu tant de succès pourrait peut-être envisager cette possibilité?

M. Pearson: A la longue, c'est possible. Mais, toutefois, à brève échéance, je crois qu'une organisation aussi souple que le CAP est la réponse à une foule de problèmes. Cette organisation peut s'adapter rapidement et en faisant des erreurs, on ne risque pas de sommes considérables d'argent et d'efforts. Les erreurs ne sont pas tellement considérables au début et l'organisation de commercialisation au fur et a mesure que vos ressources augmentent. C'est un peu ce qu'a fait le CAP.

Je ne crois pas que CAP doive s'occuper de l'artisanat des Indiens du Sud. Mais il est certain que CAP serait prêt à jouer un rôle de coopération auprès d'une organisation semblable. Nous pourrions leur faire partager notre expérience dans le domaine de la commercialisation. C'est ce que nous avons offert à plusieurs reprises.

M. Gundlock: Merci, monsieur le président.

Le vice-président: Monsieur Cullen, vous êtes le suivant sur ma liste.

M. Cullen: Je vous remercie, monsieur le président. J'ai noté que vous ne voulez pas

[*Texte*]

not flooding the market with Indian art. I am just wondering whether these other sources of marketing in Lévis, Quebec, and Hudson Bay are having that effect. Do they go in for the mass-produced type of art?

Mr. Mitchell: They do to a degree. Their marketing functions are orientated somewhat differently from ours. They wholsale to wholesalers who in turn develop markets to all and sundry. For instance, you can go up to Shoppers City in Ottawa and find Eskimo carvings. You will find them at Kresge's and places like that. Their technique is one of selling purely for a short run game.

We tend to think in the long term, to maintain the viability of the market for Eskimo things. In order to do this we have to maintain prestige, and you cannot maintain prestige by selling to grocery stores items which are essentially art objects or hand-crafted objects of quality.

Mr. Cullen: Then in your opinion, is the producer getting a better deal by dealing through your marketing procedures in the long run, or would they get a better deal in the short run from the others and in the long run from you, or would they get a better deal over all from CAP?

Mr. Mitchell: I think he is getting a better deal from us. We have maintained quality outlets where we can get high prices and this is really what we try to maintain—a high price structure. In order to maintain a high price structure we have to do certain things. We must maintain a prestige level of retailers where Eskimo and Northern Indian products are in association with other items that are of comparable quality and prices.

• 1200

We cannot look upon this as a quick buck this year and we do not know what will happen next year. We want to look upon it as an exercise that is going to continue over the years and we feel that our method is the best guarantee to maintain a viable market over the long haul.

Mr. Pearson: If I may interject, I think we can answer your question by saying that we believe our strategy is definitely the best, both in the long and the short run. Speaking very frankly, this is the basic strategy.

We say to ourselves, all right, this is what we estimate the production will be. I am talking about the fine art market, for example. We ask ourselves what it is going to be over the next three years. Our feeling generally is that it takes about three years to develop a

[*Interprétation*]

inonder le marché d'art indien. Je me demande seulement si les autres sources de commercialisation à Lévis (Québec) et à Hudson Bay poursuivent le même but. Ne visent-ils pas la production de masse?

M. Mitchell: Jusqu'à un certain point, oui. Ils procèdent de façon quelque peu différente. Ils vendent en gros à des grossistes qui vendent ensuite à des détaillants divers. On en trouve jusqu'à Shopper's City à Ottawa; ou chez Kresge, ou ailleurs. Leur technique est une technique de vente en vue de gains à court terme. Nous songeons plutôt aux gains à long terme. Il faut conserver le prestige de l'art esquimau. Il est certain qu'on ne peut pas conserver ce prestige en vendant dans des épiceries, des objets supposés être de qualité, sculptés à la main, etc,...

M. Cullen: Donc, à votre point de vue, est-ce que le producteur fait mieux de traiter avec vous à long terme ou est-ce qu'il ferait mieux de traiter avec les autres à court terme et avec vous à long terme, ou est-ce que de toute façon, le mieux pour eux, c'est CAP?

M. Mitchell: Je crois qu'il vaut mieux qu'il traite avec nous. Nous avons conservé des magasins de luxe là où nous pouvons obtenir des prix élevés, et c'est ce que nous essayons de conserver une structure de qualité. Il faut que les détaillants qui vendent des produits indiens et des produits esquimaux bénéficient d'une réputation de prestige.

Nous ne pouvons pas envisager un profit rapide une année et Dieu sait quoi l'année suivante. Il s'agit d'une expérience qui doit se prolonger pendant des années et nous croyons que notre méthode est la meilleure pour conserver un marché viable pendant longtemps.

M. Pearson: Si je peux ajouter une observation. En réponse à votre question, nous croyons que notre stratégie est la meilleure tant à long terme qu'à court terme. Pour être tout à fait honnête, c'est la stratégie de base.

Nous nous disons: «voilà donc ce que sera la production». Je parle du marché des beaux-arts. Nous tentons d'établir qu'elle sera la production pendant les trois prochaines années. Nous croyons en général qu'il faut environ trois ans pour établir un nouveau

[*Text*]

new market. If we want to move into the southwestern U.S. market, it takes about three years to do this. First of all you have to get your galleries to accept Eskimo art as an art form. Then you perhaps have to get a few of the private collectors to accept this work in their private collections. You are then in a position to line up the good dealers.

Our first objective is to sell volume, but to sell it at the highest possible price, so we are consequently moving up the price. We try to keep one step ahead of the development of production, thereby creating an artificial scarcity, and we add geographic markets in other countries as we forecast the production going up. We want the demand to constantly exceed the supply because that allows us to push the prices up. That is the name of the game, to get the highest price we can possibly get.

Mr. Cullen: I would like to pursue, two other areas, Mr. Chairman. I noted your comment that you have 700 dealers in all countries, but I noticed in your summary later that your market here is 74 per cent, it is 22 per cent in the United States and 4 per cent in Europe. Seemingly your only agency in Europe is in Bonn. Are you trying to develop other outlets? I would think there would be a great market in Great Britain.

Mr. Pearson: Yes. The agent in Bonn is a gentleman who was with the foreign service, I think, serving in this country. When he retired he volunteered his services and asked if he could be of any help to us in the matter of promotion. That is why he is called an agent. We indeed have dealers in England, and in many other parts of Europe, and we hold a great number of exhibitions in Europe through these dealers. The product is available on a very wide scale. This chap is an agent inasmuch as he helps to sort of generally promote to the European market, and, in this way he gets us some publicity. He is fairly well connected in that respect.

Mr. Cullen: There is one final area that I would like to pursue. You mentioned environment and you referred to groups that have an interest, I suppose you might say, in the culture of the native peoples, and so on. Is this much of a deterrent in your market, is this a real handicap in that you are sort of supersensitive, or are you supersensitive to these people?

Mr. Pearson: We may be supersensitive. I expect we are very much like you gentlemen. There are constant sources of advice, people

[*Interpretation*]

marché. Si nous voulons nous rendre dans le sud-ouest des États-Unis, par exemple, cela prend environ trois ans. Il faut d'abord que les galeries acceptent l'art esquimau.

Il faut ensuite que certains collectionneurs acceptent d'ajouter ces œuvres à leur collection. Et à ce moment-là, on peut s'adresser aux bons vendeurs.

Mais, nous ne voulons pas vendre des grandes quantités, mais, nous voulons vendre des quantités raisonnables au prix le plus élevé possible. Nous tentons de créer une pénurie artificielle et nous ajoutons de nouveaux marchés au fur et à mesure que nous avons plus d'œuvres à écouler. Nous voulons donc obtenir le prix le plus élevé qu'il est possible d'obtenir.

M. Cullen: Vous dites que vous avez 700 vendeurs dans bien des pays, mais vous avez 74 p. 100 de vos marchés ici, 22 p. 100 aux États-Unis et 4 p. 100 en Europe, où votre seule agence se trouve à Bonn. Est-ce que vous tentez de trouver d'autres débouchés? La Grande-Bretagne offre un vaste marché.

M. Pearson: Oui, notre agent à Bonn est un ancien membre du service extérieur qui, lorsqu'il a pris sa retraite, s'est offert à nous aider. Nous l'appelons agent pour cette raison. Nous avons des vendeurs en Angleterre et ailleurs. Nous avons tenu des expositions en Europe par l'entremise de ces marchands et le produit est donc disponible. Et la personne en question est un agent parce qu'elle aide à nous donner une certaine publicité et qu'elle est très compétente.

M. Cullen: Vous avez parlé du milieu, vous avez parlé des groupes qui ont des intérêts dans la culture des indigènes. Est-ce que cela constitue un handicap, êtes-vous très sensibles à ces questions?

M. Pearson: Nous y sommes peut-être trop sensibles, nous recevons des conseils constamment, cela ne nous inquiète pas tellement,

[*Texte*]

are constantly offering us advice. That does not concern us too much but we do get a great deal of criticism from various pressure groups and probably we have been unable to explain our position. For example, when I said we tried to get the highest price, we get many complaints from people—through government, perhaps through their member or through the Minister, or something like that—saying that we are charging exorbitant prices for the carvings. We have to go back through those channels and say that that is what we are in business for, that is our duty.

• 1205

We are also fairly actively criticized for exporting sort of a national heritage in the form of art, and again we have perhaps not been able to explain our position on this well enough, which is essentially that it is not our role to guard the national heritage. If people decide they want to put more money into purchasing art through the various museums across the country, then they can do so, but we must sell to the highest bidder, so to speak. If we can sell higher in the United States we will do so.

I acted as sort of interim general manager and at least 50 per cent of our time was spent in this kind of activity, justifying our existence to people in the art world, people in government or to parliamentarians who were perhaps concerned that some retail shop in their constituency was not getting a fair shake. This just creates a great shortage of management time. If the Northwest Territories government wants you to go up there and attend a meeting you have to go and you have to send your top man. We just do not have that management resource. We are working on 10 per cent and everything else, gentlemen, we have to get through Treasury Board and I am sure they would not look kindly upon us if we put in a budget for a public relations man at this juncture. We cannot do it, we do not have the money. That is the problem. It is the consumption of management time in trying to justify ourselves to these various groups.

Mr. Cullen: Have you made a pitch?

Mr. Pearson: To whom?

Mr. Cullen: To Treasury Board for a public relations man? I might add that members of Parliament could also use one.

Mr. Pearson: Is that right? Well, if you have a good one...

[*Interprétation*]

mais plusieurs groupes exercent des pressions et nous n'avons pas pu exposer suffisamment notre situation. Lorsque j'ai dit que nous cherchions à obtenir le prix le plus élevé, certains se plaignent, par l'entremise de leur député ou de leur ministre, du fait que nous demandons des prix exorbitants pour les œuvres d'art esquimaudes. Et il faut répondre que c'est notre devoir.

On nous critique également parce que nous exportons notre héritage national du point de vue artistique. Et nous n'avons pas pu tellement exposer notre point de vue. Essentiellement, c'est que notre rôle n'est pas de conserver l'héritage national. Si les gens veulent dépenser plus d'argent et acheter ces œuvres pour les musées, ils peuvent le faire, mais il faut tout de même vendre aux meilleurs acheteurs.

J'ai agi en qualité d'administrateur provisoire et au moins 50 p. 100 de notre temps est consacré à ce genre de justification. Nous devons justifier notre existence à tout le domaine artistique vis-à-vis le gouvernement, vis-à-vis les parlementaires qui s'inquiètent. On parle également de notre emplacement à Ottawa et ceci nous place dans une situation délicate, nous n'avons pas assez le temps. Et si nous devons assister à une réunion du gouvernement des Territoires du Nord-Ouest, nous n'avons pas le temps d'y aller. Nous devons réaliser des profits de 10 p. 100, nous devons passer par le Conseil du Trésor, et nous n'avons pas l'argent nécessaire pour engager quelqu'un qui tenterait de justifier à notre place ce qui en est. Voilà le problème. Nous perdons beaucoup de temps à nous justifier.

M. Cullen: Avez-vous essayé?

M. Pearson: Avec qui?

M. Cullen: Est-ce que vous avez demandé au Conseil du Trésor de vous donner un agent de relations publiques? Les députés pourraient aussi en avoir un.

M. Pearson: Vrai? Si vous en connaissez un bon...

[*Text*]

Mr. Cullen: Have you tried—and I am serious about this—to increase your budget or to increase the expenditure in order to secure someone who would fill the role?

Mr. Pearson: We took one step at a time on this. Perhaps that was not the right way to do it, but that is the way we played it. Our first step was to try to get the funds to travel to the North and see the people who produce for us. We were not capable of doing this for the first two years of our existence because we had no money. That was our first step. Last year Mr. Mitchell spent a good deal of time in getting around to see our people to tell them what CAP was all about, what it was trying to do, what its problems were and actually trying to relate to these people. He is fluent in Eskimo, so this is fairly easy for him to do. That was our first step. The second step, of course, is to get capitalization. Perhaps next year we will go after public relations.

Mr. Cullen: You have made your pitch with respect to capitalization. I am sorry, I did not mean to take up so much time, Mr. Chairman.

The Vice Chairman: Mr. Gundlock, I believe you have a supplementary?

Mr. Gundlock: Thank you, Mr. Chairman. I had one point in mind that I forgot to mention earlier having to do with representation of the native people. The Northwest Territories have an Indian and an Eskimo member on their council and I think the Yukon has an Indian member on its council I am wondering if they could not be included—even in an honorary way—in your organization?

Mr. Pearson: We would hope they would be.

Mr. Gundlock: Have you considered that? Have you asked them?

Mr. Pearson: Both Eric and I know Simone, for example. We are a company and we have a board of directors, and they are the people, who have to make that kind of a decision. We are sort of at the management level and we are not members of the board.

Mr. Gundlock: Could you consider this sort of thing?

Mr. Pearson: Yes, definitely.

Mr. Mitchell: We have requested it.

Mr. Gundlock: You have requested it?

Mr. Pearson: Yes.

[*Interpretation*]

M. Cullen: Est-ce que vous avez essayé—et je suis sérieux à ce sujet—d'accroître votre budget, ou vos dépenses, pour en obtenir un?

M. Pearson: Pour s'assurer les services de quelqu'un, nous avons fait un pas à la fois. C'est ce que nous avons fait jusqu'ici. Nous avons d'abord tenté d'obtenir les fonds nécessaires pour voyager dans le Nord. Nous n'avons pas pu le faire au cours des deux premières années. C'était donc la première étape. Et l'année dernière, M. Mitchell a passé beaucoup de temps à rencontrer les gens du CAP, on a tenté d'exposer quelle était la nature des problèmes, et on a également tenté de communiquer avec les gens, les Indiens et les Esquimaux.

Et c'était donc ce que nous avons fait au début. L'année prochaine, nous tenterons d'obtenir les capitaux nécessaires. L'année prochaine, nous pourrons peut-être nous occuper également de relations extérieures.

M. Cullen: Vous avez essayé d'obtenir des capitaux, je crois. Je m'excuse, monsieur le président, d'avoir pris autant de temps.

Le vice-président: Monsieur Gundlock, je crois que vous avez une question supplémentaire à poser?

M. Gundlock: Merci, monsieur le président. Je voulais poser une question que j'ai oubliée plus tôt. Elle porte sur les représentations de la population aborigène ou indigène. Au sein du conseil des Territoires du Nord-Ouest il y a des Indiens, de même que dans le conseil du Yukon, je me demande si ces membres ne pourraient pas faire partie à titre honoraire de votre organisation?

M. Pearson: Nous l'espérons.

M. Gundlock: Avez-vous songé à cela, les avez-vous pressentis?

M. Pearson: Eric et moi-même connaissons Simone. Nous sommes une société, nous avons un conseil d'administration et c'est le conseil d'administration qui doit prendre ces décisions. Mais nous ne faisons pas partie du conseil d'administration.

M. Gundlock: Pouvez-vous envisager cette possibilité?

M. Pearson: Oui, certainement.

M. Mitchell: Nous l'avons fait.

M. Gundlock: Vous l'avez demandé?

M. Pearson: Oui.

[*Texte*]

Mr. Gundlock: Have you received an answer?

Mr. Pearson: I think it is part of capitalization, which also includes a restructuring to some extent, and it is my understanding, although I do not know the status of that proposal, that along with this will go a new board of directors, if you will, with Eskimo representation on it.

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Mr. Gundlock: Thank you, Mr. Chairman.

The Vice Chairman: Mr. Thomson?

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, some of the questions I had in mind have been answered. I would first like to make a comment in regard to the Co-operative Union which Mr. Deakon raised earlier. Eskimo co-operatives can also be members of the Co-operative Union?

Mr. Pearson: Yes.

Mr. Thomson (Battleford-Kindersley): But because of their small number they obviously would not have a big voice in the purposes of the Union but they do have a democratic voice in the Co-Op Union. I just wanted to make sure that this was on the record and understood, and I think Mr. Deakon understands this too.

In reference to capitalization, did you consider borrowing money?

Mr. Pearson: We did very definitely consider borrowing money, and on bended knee. We are told that we are dedicated to losing money as a company. They say, "You only have $5.00 invested capital, how about $2.50 borrowings?" You see, we have nothing to support it.

Mr. Thomson (Battleford-Kindersley): I was thinking perhaps from government.

Mr. Pearson: We have discussed this with credit unions, private sources such as banks and so on and they say there is really no way they can justify it because we have no ability to pay them back.

Mr. Thomson (Battleford-Kindersley): I thought you were going to suggest that you might ask some other co-operative to sign or back your note.

Mr. Pearson: We have also been to our mentors, the CUC, who certainly control the majority of our board, a number of times requesting funds but that does not seem to be their business either.

[*Interprétation*]

M. Gundlock: Est-ce que vous avez eu une réponse?

M. Pearson: Je crois que cela fait partie de nos projets de capitalisation qui impliquent la restructuration de l'organisation, et si je comprends bien, d'après cette proposition, nous aurons un nouveau conseil d'administration qui comptera des représentants esquimaux.

M. Gundlock: Merci, monsieur le président.

Le vice-président: Monsieur Thomson?

M. Thomson (Battleford-Kindersley): Monsieur le président, quelques-unes des questions que j'avais à l'esprit ont été répondues. Mais, j'aimerais faire une observation au sujet de la Co-operative Union dont M. Deakon a fait mention plus tôt. Les Esquimaux peuvent faire partie de cette Union?

M. Pearson: Oui.

M. Thomson (Battleford-Kindersley): Mais vu leur petit nombre ils n'auraient pas grand voix au chapitre de cette union, mais tout de même, ils peuvent participer démocratiquement. Je voulais simplement m'assurer que tout cela était compris. Mais pour ce qui est de la capitalisation, est-ce que vous avez envisagez d'emprunter de l'argent?

M. Pearson: Bien sûr, nous avons certainement envisagé la question d'un emprunt. On dit que la société est vouée à perdre de l'argent. On nous dit: «vous n'avez que cinq dollars de capital investi, pourquoi pas emprunter $2.50.» Nous n'avons rien comme garantie.

M. Thomson (Battleford-Kindersley): Mais peut-être pouvez-vous l'obtenir du gouvernement.

M. Pearson: Bien sûr. Un syndicat ou une banque pourraient nous offrir un prêt. Nous en avons d'ailleurs discuté avec eux, mais il n'y a aucun moyen pour nous de garantir un prêt.

M. Thomson (Battleford-Kindersley): Je pensais que vous auriez proposé qu'une autre coopérative soit co-signataire ou garantisse l'emprunt.

M. Pearson: Nous avons aussi parlé aux administrateurs de la CUC, qui contrôlent notre conseil, et nous leur avons demandé des fonds à plusieurs reprises, mais cela ne semble pas les occuper.

[*Text*]

Mr. Thomson (Battleford-Kindersley): It was just a suggestion. Returning to Eskimos and this million dollar business, approximately what percentage of this amount would the Eskimos receive?

Mr. Pearson: It is $900,000, but we do not differentiate between the co-operative and the individual. It is his organization and it is their problem after that.

Mr. Thomson (Battleford-Kindersley): Mr. Churchman, just what relationship have you and the development branch to CAP? Do you have any authority or do you deal with them at all?

Mr. Churchman: Mr. Chairman, we are the subsidizers—we pick up the debts of the operation.

Mr. Thomson (Battleford-Kindersley): You would not consider loaning them some money too?

Mr. Churchman: I would not say we would not consider loaning money. It has already been mentioned that they need re-capitalization and re-structuring, and this is under active consideration right now. A proposal has been put to us which we have passed on because it is one of those things beyond our capacity to approve. Consideration is being given right at the moment to a re-capitalization which, if it was accepted in full, would take care of the needs put forward by management at the present time.

Mr. Thomson (Battleford-Kindersley): I just wanted to hear you say it.

Mr. Churchman: I wanted to get on record on that one.

Mr. Pearson: We have asked for more than debt, by the way. We do not want the debt load to carry.

Mr. Thomson (Battleford-Kindersley): I wish you well. In looking at Eskimo art I notice that my tastes seem always to run to the highest priced piece. Believe me, they seem to be quite high—at this end anyway.

Mr. Pearson: If I may interject on a note of levity, we have a very unusual pricing practice. All art is priced by about three people in the organization. We do not average this or anything like that. We take the highest on the basis that there must be somebody else in the world that has the same remote taste as that individual has. It is high—it is very high.

[*Interpretation*]

M. Thomson (Battleford-Kindersley): Ce n'était qu'une proposition. Maintenant parlons des Esquimaux. On parle d'un chiffre d'affaires d'un million de dollar. Quelle proportion serait la part des Esquimaux?

M. Pearson: A peu près $900,000. Nous ne faisons aucune distinction entre la coopérative et les particuliers.

M. Thomson (Battleford-Kindersley): Une autre question monsieur Churchman: quel est le lien entre votre ministère et la CAP. Faites-vous affaire avec elle, exercez-vous un certain contrôle?

M. Churchman: Monsieur le président, nous subventionnons le déficit de l'exploitation.

M. Thomson (Battleford-Kindersley): Est-ce que vous envisageriez de leur faire un prêt?

M. Churchman: Nous ne l'envisageons pas. On a déjà proposé, de restructurer la CAP et de refaire sa capitalisation, mais ce ne sont pas des choses que nous envisageons maintenant. Nous avons pris connaissance de cette proposition. Voilà une chose qui dépasse notre compétence. Nous étudions cette question de recapitalisation et si elle est acceptée, elle répondra aux besoins de la société, besoins exprimés par sa direction.

M. Thomson (Battleford-Kindersley): Je voulais justement que vous le disiez.

M. Churchman: Je voulais que cette question soit versée au dossier.

M. Pearson: Nous ne voulons pas prolonger la dette, en effet.

M. Thomson (Battleford-Kindersley): A ce sujet, monsieur le président, pour ce qui est de l'art esquimaux, j'ai noté que mes goûts semblent toujours se porter aux objets très dispendieux. Croyez-moi, il me semble que les prix sont très élevés.

M. Pearson: Puis-je simplement dire que nous avons un régime de prix inusité, mais enfin tous les prix sont fixés par trois personnes dans l'organisation, et nous prenons toujours le prix le plus élevé, sans faire la moyenne, car nous croyons qu'il y a quelqu'un, quelque part, qui voudra payer ce prix pour satisfaire son goût. Bien sûr, le prix est élevé, très élevé.

[*Texte*]

• 1215

Mr. Mitchell: It is a case of trying to find the market. Three years ago we practised a comon form of business called merchandising. We went into the art galleries of the country and found out that where the laws of nature had worked molten bronze into a certain shape that object carried a price of $2,000. We felt that we had something compatible, if not better, and why not a price of $2,000 for a piece of this preconceived, excellently executed work. We took the Eskimo art out of the shop and put it into the art gallery and the art world, which functions through the art galleries, accepted it.

This has brought about a lot of complaints from a number of dealers who say there are no more good Eskimo carvings, that they are all over-priced and of poor quality. This is not necessarily so. It just means that in the last three years the good pieces are no longer to be found in the shops. The good pieces are now where they belong and where we can get a proper price for them. They compete as contemporary pieces of sculpture in the art market. We have people who come to us and say, "look, my students can no longer buy Eskimo carvings because they are too high priced". That is too bad for the students, but how about the Eskimos? This is truly how we look upon it. We ourselves do not make the money. We retain only ten per cent and try to remit as much as we can back to the North.

Mr. Thomson (Battleford-Kindersley): Well, I have to compliment you on your sucess in this respect.

Mr. Chairman, I wonder about the address of the office here in Ottawa.

Mr. Pearson: We would be delighted to have anybody come down. We have a showroom and the warehouse and you can spend all the time you want. The address is 141 Catherine Street.

Mr. Thomson (Battleford-Kindersley): Thank you.

The Vice-Chairman: Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, quite a few questions I had prepared have been answered, but I would like to ask a number of questions in the financial area.

To begin with, could we have the figures of the deficit being covered by the department in each of the years and those deficits in relation to sales?

[*Interprétation*]

M. Mitchell: Il faut trouver un débouché. Il y a quelques années, nous nous sommes adressés à des galeries d'art, et dans certains cas, il y avait des objets façonnés par le hasard, sans conception préalable, qu'on faisait passer pour des objets d'arts, au prix de $2,000. Mais nous croyions que nos objets étaient beaucoup mieux, et qu'il était ridicule de demander deux mille dollars pour un objet comme ceux-là. Nous avons pris les sculptures esquimaudes, nous les avons exposés dans des galeries d'art, et le monde artistique les a acceptées.

Cela a suscité plusieurs plaintes de la part des détaillants qui disaient qu'il n'y avait plus de bonnes sculptures esquimaudes, qu'elles étaient trop chères et de mauvaise qualité. Ce qui n'est pas nécessairement vrai. Cela veut dire que les objets de qualité ne se trouvent plus dans les magasins depuis trois ans. Ces objets sont maintenant placés là où ils peuvent se vendre, et à bon prix, là où ils doivent être. Comme sculptures contemporaines, ils concurrencent dans le marché de l'art. Il y a des gens qui disent: «Les étudiants ne peuvent plus acheter de sculptures esquimaudes! C'est trop cher!» C'est dommage, mais pensons aux esquimaux aussi. Nous-mêmes, nous ne faisons pas d'argent. Nous ne retenons que 10 p. 100 des profits de l'entreprise, dont nous essayons de rapatrier la plus grande partie possible vers le Nord.

M. Thomson (Battleford-Kindersley): Je vous félicite de vos succès.

Monsieur le président, quelle est l'adresse des bureaux à Ottawa?

M. Pearson: On sera heureux de vous y accueillir. Il y a une salle d'exposition et un entrepôt qui se trouve à 141, rue Catherine, à l'ouest d'O'Connor.

M. Thomson (Battleford-Kindersley): Merci.

Le vice-président: Monsieur O'Connell.

M. O'Connell: Monsier le président, on a répondu à plusieurs questions que j'avais déjà préparé. J'aimerais poser certaines questions dans le domaine financier. Tout d'abord, pourrions-nous avoir des précisions quant au déficit couvert par le ministère, pour chacune des années d'exploitation, et comparer ces chiffres au chiffre de vente?

[*Text*]

Mr. Mitchell: I have here last year's deficit and the proposed deficit for the year 1969-70. Our total deficit for the year 1968-69 was $157,600, based on $800,000 sales volume. Our proposed deficit for 1969-70, starting on April 1, based on a sales volume of $1 million, is $180,000.

Mr. O'Connell: Can you go back one year before that?

Mr. Pearson: It runs roughly about the same percentage.

Mr. O'Connell: 18 to 20 per cent. Yes, about that. We calculate that it costs about 30 per cent to operate.

Mr. O'Connell: That is ten per cent commission and twenty per cent deficit.

Mr. Pearson: That is about it.

Mr. O'Connell: That makes roughly 30 per cent.

Mr. Pearson: Somewhere between 28 and 32. Hopefully it is on the declining swing as our volume increases.

Mr. O'Connell: That is what I was trying to get at.

Mr. Pearson: Yes.

Mr. O'Connell: Is the trend to a decreasing deficit as sales increase.

Mr. Pearson: Yes. It is. It will not decrease a great deal. About 25 to 28 per cent will be about as low as it probably will get in the foreseeable future of sales increases. It is a very expensive product to merchandise.

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Mr. Mitchell: Part of the high operating cost is because the company is committed to an Eskimo training program. We are committed to Arctic travel. We are committed to market development, promotion and advertising publications. The high cost of Arctic travel is not usually encountered by organizations in the South.

They are not committed to Eskimo training programs. We cannot operate the company on Eskimos alone. We must have a back-up staff of competent people and, hopefully, as we train Eskimos they will fulfil their functions. But we cannot operate on a training program, we must operate with a competent staff. These are costs that are not normally encountered in usual business practices.

[*Interpretation*]

M. Mitchell: L'an dernier, le déficit était de $157,000 environ pour des ventes de $800,000. Et pour 1969-1970, d'après un volume de vente prévu d'un million de dollars, le chiffre est de $180,000.

M. O'Connell: Pourriez-vous remonter une année de plus en arrière?

M. Pearson: C'est à peu près le même pourcentage, de 18 à 20 p. 100. Nous avons calculé qu'il nous faut une marge de 30 p. 100 pour pouvoir exploiter l'entreprise.

M. O'Connell: Donc, 10 p. 100 pour la commission et 20 p. 100 de déficit.

M. Pearson: A peu près.

M. O'Connell: Cela revient à peu près à 30 pour cent.

M. Pearson: C'est environ de 28 à 32 p. 100. Nous espérons réduire ce pourcentage à mesure que nos ventes augmentent.

M. O'Connell: C'est justement ce que je voulais dire.

M. Pearson: Bon.

M. O'Connell: Le déficit baisse-t-il à mesure qu'augmentent les ventes?

M. Pearson: Oui, le déficit ne tombera pas beaucoup. Il n'ira jamais plus bas que 25 p. 100 dans un avenir prévisible. C'est une exploitation très coûteuse.

M. Mitchell: Le coût élevé de l'exploitation découle du fait que nous avons un programme de formation des Esquimaux. Il ya aussi les déplacements, la promotion des marchés, la publicité dans des revues. Les frais élevés de déplacement dans l'Arctique n'existent pas dans le sud.

Les organismes du sud n'ont pas à former les Esquimaux. Nous pouvons réussir notre exploitation à l'aide seulement des Esquimaux. A mesure que nous formons les indigènes, ils pourront remplir leurs fonctions. Nous ne pouvons fonctionner seulement avec un programme de formation: il nous faut un personnel compétent. Ce sont là des frais que les autres entreprises n'ont pas à subir.

[*Texte*]

Mr. Pearson: You will also recognize, of course, that our inventory fluctuations are very wide. We have to take things in very heavily at certain times of the year, like at the sea-lift time, and carry those over.

Mr. O'Connell: Would you say that the shortage of working capital adds to the cost of the operation? Or if I put it around the other way, would substantial infusion of working capital tend to reduce the deficit requirement?

Mr. Mitchell: Yes, I think so.

Mr. O'Connell: Could you try to indicate how, and perhaps measure it?

Mr. Pearson: I do not think that it is going to...

Mr. Mitchell: In the accounting, of course.

Mr. Pearson: Yes, it will reduce our accounting cost. We now have to run about 28 to 30 little businesses in order to cover accounts receivable, and account for accounts receivable in inventory, of course. It probably will not reduce it substantially because that will be partially offset by the cost of capital that we have to absorb as an organization. The question as to what our deficit is depends really, I suppose, on the government's policy as to how much subsdization of Eskimo and Indian people they want. In other words, if they want to over-pay for production, then that is the government's business. We tell them essentially what we require. We give them a full report of our budgets and our forecasts and where all the money is being spent, and then we say we will take 10 per cent mark-up or we will take 15 per cent mark-up, or whatever. It is possible to be self-sufficient, but then the one who pays for it, of course, is the co-operative or the carver.

Mr. O'Connell: Yes, that was the point I was going to come to. If you had the working capital you would be paying as you purchase the goods, presumably, rather than taking on consignment. What additional power or influence would this therefore give you over the production process? Would you be paying that kind of price that would lead to a break-even point, or would you be paying that kind of price which was being set by the co-operative in view of the fact that it has perhaps other outlets too? Is the situation competitive enough, given working capital, that the price paid to the producer would not be lowered by the fact of your working capital?

[*Interprétation*]

M. Pearson: Vous remarquerez que notre inventaire fluctue beaucoup, qu'à un certain moment, il est très élevé. Nous devons entreposer les objets à certaines époques de l'année, notamment jusqu'à la saison de la navigation, avant de pouvoir les transporter.

M. O'Connell: Diriez-vous que la pénurie de fonds de roulement ajoute aux frais d'exploitation? Or, si vous voulez un fonds de roulement plus élevé, pourrait-il réduire le déficit?

M. Mitchell: Oui, je crois.

M. O'Connell: Pourriez-vous nous indiquer dans quelle mesure?

M. Pearson: Je ne crois pas qu'il va...

M. Mitchell: Au point de vue comptabilité, bien sûr.

M. Pearson: Je ne crois pas que cela réduirait notre déficit comptable, bien sûr, pour acquitter nos comptes payables etc. Cela ne réduirait pas sensiblement notre déficit à cause des frais de capitalisation que nous devons absorber. Il s'agit de déterminer quel est notre déficit. Je suppose que la politique gouvernementale est de voir dans quelle mesure il faut subventionner les Esquimaux, dans ce domaine. Par conséquent, si le gouvernement veut payer un prix plus fort, pour la production, c'est son affaire. Ce que nous voulons, pour boucler notre budget, c'est d'établir quelles sont nos dépenses et de calculer un profit quelconque, 10 ou 15 p. 100. Il est possible que notre entreprise soit rentable, mais celui qui doit payer, bien sûr, c'est la coopérative ou le sculpteur.

M. O'Connell: C'est justement la question que je voulais soulever. Si vous aviez les fonds de roulement nécessaires, vous acquitteriez les objets à mesure qu'ils sont produits? Quelle autorité ou quelle influence vous faudrait-il pour accroître cette procédure? Est-ce que vous paieriez ces prix si vous vouliez obtenir la rentabilité, vu que les coopératives ont d'autres débouchés, d'ailleurs, est-ce que la situation est concurrentielle? Supposant que vous ayez plus de fonds de roulement, ne croyez-vous pas que les prix versés aux producteurs pourraient être moins élevés en ce cas-là?

[*Text*]

Mr. Pearson: Again, I think it is up to the government to decide whether they want to continue a policy of subsidizing the Eskimo co-operatives through CAP. They could perhaps subsidize them directly. I really do not know. I do not think there is any question that we could compete on a break-even proposition.

Mr. O'Connell: Would you be better off if you had a budget financed by the Department for training and developmental purposes that was not in any way connected with your marketing arrangements?

Mr. Pearson: This is another area which we have proposed, and my understanding is that the Department is giving it consideration. Where we are involved in activities which are not normal business activities in a competitive business sense, we would ask for contract support, in other words contracts from the Department for performing these activities.

Mr. O'Connell: I would think that would be a very sound move in that the components of a subsidy would therefore be pointed out and clearly identified and budgeted for in annual appropriations.

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Mr. Pearson: Yes, and indeed they are now, because these can be pulled out of the contracts proposals that we put in, which are very detailed. They go down to salary budgets and everything else.

Mr. O'Connell: Would you care to estimate what proportion of the sales volume, in order to put it closer into the deficit if you like, would actually be accounted for by these extra activites, the training and developmental activities?

Mr. Pearson: I would not, off the top of my head. That is probably not the place to talk from.

Mr. O'Connell: You would do a great deal more if you could, presumably?

Mr. Pearson: Do a great deal more? We could spend more money?

Mr. O'Connell: Yes.

Mr. Pearson: Oh, definitely.

Mr. O'Connell: In that area, I would add.

Mr. Pearson: Very definitely, with little trouble. I would think about one-third. Our present deficit is...

[*Interpretation*]

M. Pearson: Encore une fois, je crois qu'il appartient au gouvernement de décider s'il veut poursuivre sa politique de subventions aux Coopératives esquimaudes, par l'entremise de notre Société. Il pourrait peut-être les subventionner directement? Je l'ignore vraiment, mais il est sûr que nous ne pouvons faire la concurrence et être rentable.

M. O'Connell: Les choses iraient-elles mieux si vous aviez un budget financé par le ministère pour la formation du personnel? Et qui serait tout à fait en dehors des travaux de commercialisation?

M. Pearson: On l'a déjà proposé et, si je comprends bien, le ministère a cette proposition à l'étude. Notre activité, en elle-même, n'est pas essentiellement commerciale. Jusqu'à un certain point, nous aimerions qu'on appuie nos contrats, c'est-à-dire qu'un ministère voit à ce que les choses se fassent.

M. O'Connell: Je crois que ce serait la meilleure chose à faire, de voir à ce que nos besoins soient clairement identifiés et qu'on les inclue dans le budget.

M. Pearson: Aujourd'hui, cela est tiré des propositions que nous avons faites, qui sont très détaillées et il est question du budget des salaires, etc.

M. O'Connell: Pourriez-vous estimer quelle portion du volume des ventes, ou, si vous voulez, plus précisément, serait comptable à partir de ces activités supplémentaires, de la formation, etc.?

M. Pearson: Je ne voudrais pas parler en ignorance de la chose. Ce n'est probablement pas le moment d'en parler.

M. O'Connell: Vous aimeriez faire beaucoup plus, si vous le pouviez?

M. Pearson: Beaucoup plus? Nous pourrions dépenser plus d'argent?

M. O'Connell: Oui.

M. Pearson: Certainement.

M. O'Connell: Dans ce domaine, devrais-je ajouter.

M. Pearson: Très certainement, avec un peu d'ennuis. Je dirais que c'est environ le tiers. Notre déficit actuel est ...

[*Texte*]

Mr. O'Connell: It could be attributable to those...

Mr. Pearson: Yes. A very high percentage, at this particular juncture, is in Arctic travel.

Mr. O'Connell: Mr. Chairman, I do not have very much more in the way of questions except perhaps to make a comment, if you would permit me, at the end. I had a question, but it may have been answered. I wanted to ask what is the size of the 10 per cent commission related to the sales volumes? Is it 10 per cent of the figure that you quote here, this $100,000?

Mr. Pearson: Yes. If we stand to sell a million dollars, then we retain $100,000, 10 per cent of our selling price.

Mr. O'Connell: That is what you relate here as your invoice price?

Mr. Pearson: That is right.

Mr. O'Connell: Before I come to the comment, I have one other question. You refer on page 9 to a restructuring of the organization, and presumably this is related to capitalization. Could you indicate what was in your mind concerning the restructuring of the organization?

Mr. Pearson: How we would get the government to put equity money into an operation was one of the things that was very definitely in mind. What kind of a corporate structure would they require in order to fulfil their obligations, presumably in the spending of public funds or whatever it is? That was one of the major ones. The second one was, of course, to get a better representation, as has already been brought up, of Northern Indian and Eskimo people on our Board and also perhaps a better representation of the business community or people who could be of active use to us, as a board of directors.

Mr. O'Connell: Mr. Chairman, the comment I was going to make is perhaps premature owing to the fact that we have not seen the proposal for a new financial structure that CAP is presenting to the government. But it would seem to me reasonable that the Government of Canada would take a larger equity position than $5. It would seem to me it ought to be in the nature of perhaps $200,000 of equity capital, something in that order, say 20 per cent of sales, and that would then put the company in the position to go into the commercial markets to borrow on the basis of a modest equity position, if it wished to. If the company is operating quite successfully

[*Interprétation*]

M. O'Connell: On pourrait l'attribuer à ces ...

M. Pearson: Oui. Dans la conjoncture actuelle, une grande partie de nos frais vont aux déplacements dans l'Arctique.

M. O'Connell: Monsieur le président, je n'ai plus d'autres questions à poser. Si vous me permettez une observation; oui, j'ai une question que j'ai omis de demander, mais on y a peut-être répondu. Au sujet de la commission de 10 p. 100 concernant le volume des ventes, s'agit-il de 10 p. 100 des chiffres que vous venez de citer, ces $100,000?

M. Pearson: Oui, si nous vendons pour un million de dollars, nous retenons $100,000, soit 10 p. 100 de notre prix de vente.

M. O'Connell: Ce que vous appelez ici le prix de facture?

M. Pearson: En effet.

M. O'Connell: Avant de passer à mon observation, j'ai une autre question à poser. Si on fait allusion, à la page 9, à la restructuration de l'organisation, je suppose qu'il est question de la capitalisation? Qu'envisagez-vous, à ce moment-là, en fait de restructuration?

M. Pearson: Vous voulez que le gouvernement vous accorde des fonds à votre exploitation, mais quelle genre de structure le gouvernement demanderait-il pour l'acquittement des obligations? Justement, c'est une des choses principales. La deuxième chose, c'est d'avoir une représentation plus élevée de la population esquimaude et indienne et aussi une représentation plus élevée de la collectivité industrielle, qui pourrait nous être utile, au sein de notre conseil d'administration.

M. O'Connell: Monsieur le président, mon observation est peut-être trop hâtive, car nous n'avons pas vu les propositions au sujet de la restructuration financière proposée devant le gouvernement, mais il me semble que le gouvernement pourrait accroître ces facilités de financement, il pourrait peut-être fournir $200,000, mettons 20 p. 100 des ventes, par exemple, ce qui permettrait à la Société d'être en mesure d'affronter les marchés commerciaux et de contracter un prêt. Si la Société le veut, et je ne vois pas si la Société est assez rentable, si le déficit est plus ou moins instable, par rapport aux ventes, mettons 20 p. 100, je ne vois pas pourquoi le

[*Text*]

and the deficit seems to have some stability to it in relation to sales, say 20 per cent, I do not see why the Department could not advance monies in the beginning of the year rather than covering the deficit at the end of the year. The financial situation appears to have stabilized somewhat.

Mr. Pearson: Yes. The Department does not advance us money on a subsidy basis. They pay us money on the basis of a contract that we propose to them. We say that here is what we forecast our sales levels to be, here is what it is going to cost to operate, here is what we can get as a result of our 10 per cent commission position. Here is our cash flow, and therefore this is when we will require funds in the business. We operate very close to a zero cash position by month, so that they do pay us in advance. In other words, they will pay us on quarterly instalments in advance.

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Mr. O'Connell: Where does your working capital requirement come in?

Mr. Pearson: Where do we require working capital?

Mr. O'Connell: Yes.

Mr. Pearson: To finance inventory and accounts receivable.

Mr. O'Connell: Is that not in your contract with the Department?

Mr. Pearson: No. Our contract is only to cover operating costs, that is, salaries, rents...

Mr. O'Connell: So you need permanent capital which is...

Mr. Pearson: All our furniture, fixtures, and warehouse equipment is rented.

Mr. O'Connell: If you had some permanent equity capital of a few hundred thousand dollars from the government you would still presumably need more than that for working capital, would you not? What is your estimate of working capital today?

Mr. Pearson: I think we would have to go into the whole thing. It will run probably as high as $600,000, or so, at certain times of the year, if we follow a policy of prompt repayment.

You have to remember that the receipt of goods from the Arctic is not even. Inventories

[*Interpretation*]

ministère ne pourrait pas avancer des fonds au début de l'année plutôt que de couvrir le déficit à la fin de l'année. La situation financière paraît plus ou moins stabilisée.

M. Pearson: Oui, mais le ministère n'avance pas d'argent sous forme de subventions, il acquitte le coût des contrats que nous lui proposons. Nous lui disons: «Voici les prévisions de nos ventes, voici ce qu'il nous en coûte pour exploiter notre entreprise, voici ce qu'il nous faut pour avoir notre commission de 10 p. 100, voici notre chiffre d'affaires, voici ce que nous exigeons». Et, en fait, nous exploitons l'entreprise avec plus ou moins d'argent en caisse. Par conséquent, le gouvernement pourrait nous payer des versements trimestriels.

M. O'Connell: Mais quelles sont vos exigences en fait de fonds de roulement?

M. Pearson: Quand avons-nous besoin de fonds de roulement?

M. O'Connell: Oui.

M. Pearson: Pour financer l'inventaire et les comptes à recevoir.

M. O'Connell: N'est-ce pas précisé dans le contrat que vous avez passé avec le ministère?

M. Pearson: Non. Le contrat ne porte simplement que sur les frais d'exploitation, c'est-à-dire les traitements, les loyers...

M. O'Connell: Vous avez donc besoin d'un capital permanent qui...

M. Pearson: Tous nos meubles, nos accessoires et notre matériel d'entrepôt sont loués.

M. O'Connell: Si vous disposiez d'un capital permanent de quelques cent mille dollars venant du gouvernement par exemple, vous auriez besoin de plus que cela comme fonds de roulement? Quel est selon vous le montant de fonds de roulement que vous devez avoir aujourd'hui?

M. Pearson: Je crois que nous aurions à étudier toute l'affaire. Le montant s'élèvera à près de $600,000 à certains moments de l'année, si nous suivons une politique de remboursement rapide. Vous devez vous rappeler que l'arrivage des marchandises en provenance de l'Arctique n'est pas régulier. Les

[*Texte*]

are extremely high in the fall, when the sea lift comes in, so that it is very easy to have $300,000 to $400,000 dropped on your doorstep with inventory.

Mr. Thomson (Battleford-Kindersley): On a supplementary, Mr. Pearson, if you had, shall we say, $400,000 you could borrow a little?

Mr. Pearson: Oh, yes.

Mr. O'Connell: What you need is equity capital so that you can go and borrow from commercial sources—five dollars being insufficient?

Mr. Pearson: The $5 is not departmental money or government money, by the way.

The Vice-Chairman: Does that complete your questioning, Mr. O'Connell?

Mr. O'Connell: Yes.

Mr. Simpson: Mr. Chairman, Mr. O'Connell has covered a number of the questions I intended to ask, but this brief has been handed to me. I assume it is an up-to-date brief, and I see it mentions that the Board has a staff of 22. Is that current?

Mr. Mitchell: That is as of today.

Mr. Simpson: You mentioned that you had a representative, or an agent, in Bonn, and that you had dealers in other countries. Do the 22 include agents outside Canada? Are they on staff?

Mr. Mitchell: No; they work on a straight percentage basis, on sales volume.

Mr. Simpson: They work on a straight percentage. Therefore, the 22 are pretty well all employed here in Ottawa?

Mr. Mitchell: All employed in Ottawa.

Mr. Simpson: I notice you say, "CAP was founded in 1965 as a central marketing agency for the arts and crafts program of the Department of Northern Affairs and Natural Resources". Can you say whether it was an idea of the Department, or did a group of people approach the Department with this idea?

[*Interprétation*]

inventaires sont extrêmement élevés à l'automne quand le convoi par mer arrive. Aussi est-il très facile d'avoir $300,000 ou $400,000 d'objets en inventaire.

M. Thomson (Battleford-Kinderley): Question supplémentaire. Disons que vous avez $400,000, vous pourriez emprunter un peu?

M. Pearson: Oh oui, exactement.

M. O'Connell: Ce dont vous avez besoin, c'est du capital action qui vous permette d'emprunter des établissements commerciaux, cinq dollars étant insuffisant.

M. Pearson: Si le $5 n'est pas de l'argent du ministère ou du gouvernement.

Le vice-président: Est-ce que cela complète les questions que vous vouliez poser M. O'Connell?

M. O'Connell: Oui.

M. Simpson: Monsieur le président, M. O'Connell a traité de certains sujets que je voulais aborder moi-même mais le mémoire qu'on nous a présenté, je présume que c'est un document à jour. Il mentionne en particulier que l'on a un personnel de 22. Est-ce en ce moment?

M. Mitchell: Oui, c'est à compter d'aujourd'hui.

M. Simpson: Vous mentionnez que vous avez un représentant ou un agent à Bonn et que vous avez des vendeurs dans d'autres pays. Est-ce que le 22 comprend les agents à l'extérieur du Canada? Font-ils parti du personnel?

M. Mitchell: Non, ils ne sont pas compris dans le personnel; ils travaillent sur une base de pourcentage, selon le volume de leurs ventes.

M. Simpson: Ils travaillent donc au pourcentage. Donc les 22 sont presque tous employés ici à Ottawa?

M. Mitchell: Oui, tous sont employés d'Ottawa.

M. Simpson: Je remarque que vous déclarez que la SPA a été fondée en 1965 comme organisme central de commercialisation pour le programme des œuvres d'art et d'artisanat esquimaux. Le programme mis en œuvre par le ministère des Affaires indiennes et du Nord canadien. Est-ce que cela est une idée du ministère ou si c'est un groupe de personnes qui est venu voir votre ministère pour y proposer cela?

[*Text*]

Mr. Mitchell: I believe the concept of the central marketing organization for arts and crafts arose out of a cooperative conference at Frobisher Bay in 1963 or 1964; I cannot remember which.

Mr. Simpson: How has the staff increased over the years? I assume one, or possibly both, of you gentlemen have been with CAP...

Mr. Pearson: I am retired.

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Mr. Simpson: Mr. Mitchell, have you been with CAP...

Mr. Mitchell: Yes, from the founding of the company. The staff has increased in proportion to the expansion of the operation.

CAP started off with four people. We had a part-time, half-day secretary-cum-bookkeeper and eventually we had a full-time secretary, and so on. As the sales volume increased the company went throught various forms of expansion.

When the company started there was a fenced-up demand for Eskimo arts and crafts. This demand was met after the first eighteen months of operation. To expand it was essential that new demand must be created, that we must get out into more geographically remote markets and create new demands. To do this required sales staff, and we increased the sales and all relative functions that are connected with usual business operations. Therefore, in the course of three years we have gone from four people, doing something like $100,000 worth of business, to our present volume which requires 22 people.

Mr. Simpson: Without intending to pry, or be at all personal in this, I am interested in the make-up of this organization. At the beginning, who appointed you? I ask that because I am going to follow up with a question on how you recruit your staff at this particular stage of the operation. In the beginning, how was the organization formed in relation to the original employees, or the general manager at the time?

Mr. Mitchell: It is quite a story.

Mr. Pearson: It is very long and involved. None of these things happen easily. The company was formed mostly, or in good part, through the auspices of the department, and they agreed to assist it financially.

Mr. Mitchell was available and he had the characteristics, of course, that everyone was

[*Interpretation*]

M. Mitchell: Je crois que le concept d'un organisme central de commercialisation pour les œuvres d'art et d'artisanat a pris naissance lors d'une conférence sur les coopératives à Frobisher Bay, en 1963 ou 1964, je ne me rappelle pas de la date exacte.

M. Simpson: Combien de personnel s'est-il accru au cours des années? Je présume que vous deux peut-être, messieurs, avez fait partie de CAP.

M. Pearson: Moi, je suis à la retraite.

M. Simpson: M. Mitchell, avez vous fait partie de CAP?

M. Mitchell: Oui, je suis avec la compagnie depuis sa fondation. Le personnel s'est accru en fonction de l'expansion de l'entreprise. Au début, il y avait trois ou quatre personnes. Nous avions une secrétaire à temps partiel, qui travaillait aussi comme comptable; nous avons eu ensuite une secrétaire à plein temps. Avec l'accroissement des ventes la société a connu diverses formes d'expansion.

Quand la société a commencé il y avait une demande restreinte d'objets d'art esquimaux. Elle a satisfait à cette demande après 18 mois de fonctionnement. Pour assurer un accroissement continu il était important de créer de nouveaux marchés, et de chercher des marchés dans les endroits géographiquement plus éloignés pour créer ces demandes. On avait besoin de vendeurs et on a augmenté les ventes et toutes les fonctions connexes au monde des affaires ordinaires. Par conséquent, au cours de trois ans il y a eu une augmentation de 4 personnes, faisant des affaires d'une valeur de $100,000, au volume actuel qui nécessiterait 22 personnes.

M. Simpson: Sans être indiscret ou trop personnel je voudrais connaître la structure de cette organisation. Au début, qui vous a nommés? Cela m'intéresse parce que je poserai une question complémentaire à ce sujet. Comment recrutez-vous votre personnel à ce moment en particulier. Au début, quelle était la formation des premiers employés et du gérant général à ce moment-là?

M. Mitchell: C'est une longue histoire.

M. Pearson: C'est une longue histore en effet. Ces choses ne se font pas facilement. La société a été créée, en bonne partie sous les auspices du ministère, qui a consenti à lui apporter l'aide financière.

M. Mitchell est venu nous prêter main forte. Il avait bien sûr toutes les qualités

[*Texte*]

looking for—one of the major ones being that he knew the North and was fluent in Eskimo.

Now, of course, the staff is hired as in any other business. If we require a warehouseman, or an accounting clerk, or a secretary, or someone of this nature, we go out on the job market and retain them. To get management people and senior sales people is more difficult, and we hope that capitalization restructing will help this along.

It is difficult to get a manager to stay with an organization that has a one year's duration. It is very difficult to convince them they have a career there. Once I think it becomes permanent, in terms of capitalization, this will be much easier. At this juncture we have a very good staff.

Mr. Simpson: I take it therefore, that the employees of CAP are not employees of the department? They are not civil servants?

Mr. Pearson: No; with one exception, and this was an extremely good sales person—a lady who was with the Department in their craft operations a long time ago, or when it was operating for Northern Development. She came with us, but because of her seniority in the civil service she was unwilling to break those ties, so the Department has loaned her to us since. I think that is the arrangement we have now. This is quite understandable. She has long service, and she is extremely good for us. But no one else is departmental.

• 1240

On the odd occasion, if a particular project comes along and we have to do something about it, we will beg, borrow and steal from the Department anything that we can get our hands on—including people, if they happen to have someone. It may be for some design work, or for some particular promotional activity that we just cannot staff.

Mr. Simpson: But normally, though, if your workload increases you...

Mr. Pearson: We retain our own employees. They are all our own employees, with this one exception.

Mr. Simpson: You go into the normal market to get your own employees?

Mr. Pearson: Yes; we advertise in the newspapers and select on that basis.

[*Interprétation*]

requises dont on avait besoin, dont le Nord et les esquimaux qu'ils connaissait bien. Maintenant, le personnel est embauché comme dans toute autre entreprise commerciale. Si nous avons besoin d'un employé d'entrepôt, d'un aide-comptable ou d'une secrétaire etc., nous les recrutons sur le marché du travail.

L'embauche devient plus difficile, quand il s'agit des cadres ou des personnes du service des ventes, et nous espérons que la nouvelle structure de la capitalisation nous permettra de remédier à ce problème.

Il est difficile de trouver un gérant qui restera dans une telle organisation d'une durée d'un an, et de le convaincre qu'il s'agit d'une carrière. Une fois que cela sera permanent du point de vue du capital, l'embauche sera plus facile aussi. A ce moment là nous aurons un personnel très efficace.

M. Simpson: Donc, les employés de la SPA ne sont pas des employés du ministère? Ce ne sont pas des fonctionnaires?

M. Pearson: Non, à l'exception d'une très bonne vendeuse qui a travaillé pour le ministère dans le Service de l'artisanat il y a longtemps, et plus tard pour le Développement du Nord. Elle nous a joint mais à cause de ses longues années de service dans la fonction publique elle n'était pas disposée à rompre. C'est pour cette raison que le ministère nous l'a prêtée depuis. Je pense que c'est l'arrangement actuel et c'est compréhensible. Elle a des longues années de service et elle nous rend des services incommensurables. Mais il n'y en a aucun autre qui soit du ministère.

De temps à autre si nous voulons réaliser un projet particulier, nous allons essayer de demander, d'emprunter et même de voler tout ce que nous pouvons du ministère y compris des employés, si cela est possible. Parfois il s'agit d'un travail de projet ou d'une certaine publicité pour lesquels nous ne disposons pas de personnel suffisant.

M. Simpson: Supposons que votre travail s'accroît...

M. Pearson: Oui, nous garderons nos employés à l'exception de cette personne en particulier.

M. Simpson: Est-ce que vous recrutez sur le marché du travail?

M. Pearson: Oui, nous mettons des annonces dans les journaux et nous choisissons l'employé sur cette base.

[*Text*]

Mr. Simpson: How many of your staff would be classed as purchasers, or buyers?

Mr. Pearson: None as buyers, or purchasers, as such. We have one particular individual whom we classify as a pricer. She has quite a background in arts and crafts with the Canadian Handicraft Guild, and her job is to do the initial pricing. Our prices bear no relationship to those that are on the object when it comes down. We forget that and try to price to the market.

Mr. Simpson: Perhaps instead of my asking you one or two further questions you could just give me a brief rundown on how you actually obtain the Eskimo art. You said in reply to one of the members that if beaded purses were in demand you would instruct your people to put in an order for them.

Mr. Pearson: Yes; we would put in an order.

Mr. Simpson: Do you order Eskimo art, or do you make periodic trips up to see what is there and purchase what you want?

Mr. Pearson: No; you do not order Eskimo art in that sense, of course.

Mr. Simpson: No.

Mr. Pearson: You identify it by areas, and you can give advice, or blanket types of orders, and say, "We can purchase from you $100,000 worth of good quality art," if the people are interested in producing that much.

Our representatives travel around in the North to attempt to improve the actual price that the co-operative gives to the carver himself, talk to them about their art and also advise them on their little organization and how they can do this; and what problems we have had with the kinds of products they are shipping out.

But where the product is parkas, for example, we will order, because there you have a size problem and you have to order certain sizes, or they will all come down size 13; or if you order mukluks, the same thing often hap-

[*Interpretation*]

M. Simpson: Combien de membres de votre personnel étaient autrefois des acheteurs pour vous?

M. Pearson: Nous n'avons pas d'acheteur dans ce sens. Nous avons une personne à laquelle nous avons donné le titre de préposée à l'établissement des prix. Il s'agit d'une femme qui a déjà une bonne expérience dans le domaine de l'artisanat et de l'art, ayant travaillé pour la *Canadian Handicraft Guild;* c'est elle qui fait le premier établissement des prix. Nos prix n'ont aucun rapport avec les prix qui sont inscrits sur les objets quand nous les recevons. Nous fixons les prix en fonction du marché, ignorant le prix indiqué.

M. Simpson: Me permettrez-vous de poser une seule question à laquelle j'aimerais avoir une brève réponse, plutôt que deux questions. Comment faites-vous actuellement pour obtenir des œuvres d'art esquimaudes? Vous avez mentionné, en réponse à la question d'un des députés, que lorsqu'on vous demande par exemple, des sacoches ornées de grains vous faites faire des commandes par votre personnel.

M. Pearson: Oui, c'est exact.

M. Simpson: En ce qui concerne les œuvres d'art esquimau, faites-vous des voyages périodiques pour voir qu'est-ce qu'ils ont produit et ce que vous voulez acheter?

M. Pearson: Non. Dans le cas des œuvres esquimaudes, on ne commande pas de cette façon.

M. Simpson: Non.

M. Pearson: Nous reconnaissons les régions où nous pouvons donner des conseils ou des genres de commandes en blanc, disant que nous pouvons acheter pour $100,000. Si les gens sont intéressés à produire la quantité qu'il nous faut. Les agents de notre société font beaucoup de voyages dans les régions du Nord pour tenter d'améliorer les prix que le sculpteur reçoit de la coopérative. Les agents leur parlent de leur art, leur donnent des conseils quant à l'organisation, nous leur disons quels sont les problèmes que nous avons eus avec le genre de produits qu'ils expédient. Dans le cas que je viens de mentionner il y a des problèmes de grandeur.

Cependant, dans le cas de parkas, par exemple, nous devons les commander à cause du problème de taille; autrement, ils seraient tous faits à la même taille; la même chose s'applique aux mukluks.

[*Texte*]

pens; you get size—oh, fantastic things. You have to order certain sizes and tell them whether they are men's, women's or children's.

Mr. Simpson: Yes; I am sure we all can understand that you cannot order in the field of art.

How many times a year do your representatives have to tour the various places in the North?

Mr. Pearson: The maximum is once, and not always every year to all areas, by any stretch of the imagination. We could not afford it. They ship us everything they make; or if we are the agency they have selected they will just pack it up in crates and ship it down. Then it is up to us to price it and to sell it for them.

Mr. Simpson: My next, and possibly final, question is just to clarify a point. You mentioned in reply, I think, to Mr. Thomson, that you might be confronted with a $300,000 shipment of art coming in at one time when the shipping was being done at a certain period of the year and that you have to have money available. Perhaps I do not understand this correctly, but it is mentioned that you are obliged to take your goods on consignment.

• 1245

Mr. Pearson: Yes; my statement that we would have to pay for it related to our being permitted to pay for it through capitalization. We would then have to have a policy relative to repayment.

The co-operative would expect to get their money in a given period of time, and we would have to guarantee that within a week, or two weeks, or something like, we would remit the money to their bank or send it by mail—whatever they wanted. At this juncture, this is not a problem, simply because we own neither the inventory nor the accounts receivable.

Mr. Simpson: At the moment, then, as I understand it, it is all on consignment.

Mr. Pearson: That is right.

Mr. Simpson: It takes a certain period of time before the money actually arrives back after the goods are sold.

Mr. Pearson: Yes. If we have to ship a piece of sculpture to a show in, say, Amsterdam and they display it for two weeks and

[*Interprétation*]

Il faut expliquer qu'il y a des tailles pour les hommes, pour les femmes, pour les enfants, et leur commander ces grandeurs.

M. Simpson: Nous voyons très bien que vous ne pouvez pas passer de commande de cette façon dans le cas des œuvres d'art. Combien de fois par année êtes-vous obligé, vous-même ou votre personnel, de vous rendre dans les différents endroits du grand Nord?

M. Pearson: Au maximum une fois par année et même pas toutes les années et dans toutes les régions. Cela serait trop dispendieux. En fait, les Esquimaux nous expédient tout ce qu'ils fabriquent; si nous sommes l'organisme qu'ils ont choisi pour la vente, ils nous envoient tout ce qu'ils produisent dans des caisses et c'est-à nous de fixer les prix et de le vendre pour eux.

M. Simpson: La prochaine question, qui sera peut-être la dernière, vise à obtenir des éclaircissements. Vous avez dit, en réponse à une question de M. Thomson je crois, que vous pourriez recevoir $300,000 d'œuvres d'art à certaines périodes de l'année où l'on fait les expéditions et que vous devez avoir les fonds pour satisfaire à l'offre. Je n'ai peut-être pas bien compris, mais on dit ici que vous êtes obligés de prendre les objets en consignation.

M. Pearson: Nous aurions à payer pour cela, je l'ai dit, grâce à la capitalisation. Il nous faudrait établir une politique de remboursement. Les coopératives voudraient avoir leur argent dans un certain délai; il nous faudrait leur garantir qu'en dedans d'une semaine ou deux semaines, ou trois, nous pourrions verser à leur compte, ou faire parvenir par la poste, l'argent qui leur est dû, selon leur préférence. Ce n'est pas un très grand problème, parce que nous n'avons pas ni les stocks, ni les moyens.

M. Simpson: Alors tout se fait actuellement en consignation, si je comprends bien.

M. Pearson: C'est exact.

M. Simpson: Il leur faut un certain temps avant que l'argent revienne après la vente.

M. Pearson: Disons que nous prenons une sculpture, nous l'expédions à Amsterdam pour une exposition, qui dure deux semaines,

[*Text*]

someone buys it, we have to get it back and get the money in, and so on. It is quite a long cycle.

Mr. Simpson: Did I understand you to say that one of your outlets is the Hudson's Bay Company?

Mr. Pearson: Yes.

Mr. Simpson: All across Canada, I suppose.

Mr. Pearson: Some of them prefer to buy for themselves, from their own wholesalers, but we sell to quite a number of Hudson's Bay stores.

The Hudson's Bay Company have not really gone into the Eskimo art field. They will ship in case lots, if you are a retailer and want to buy, or one of their stores does, but you may end up with a case of small walruses, which would take quite a long time to sell. We, of course, for a retailer would make a selected shipment that included a variety of different articles to appeal to the different tastes of their customers. This, of course, is why some of the Bay stores use us.

Mr. Simpson: That is what I was going to follow up with. Do you make the selection when the goods come in here and ship them out to retailers, or do many of them send buyers?

Mr. Pearson: Many send buyers in. We had a buyer in from Montreal a couple of days ago, for example. We will then set up in our showroom an exhibition for that buyer. We have some experience of him and know his taste. He will perhaps spend a whole morning just sitting there looking at things and then towards afternoon he will make his selections. That is how it goes.

Mr. Simpson: These are all my questions.

The Vice-Chairman: Mr. Southam, you have a question?

Mr. Southam: Mr. Chairman, I apologize for being a little late. I was attending the Committee on Agriculture and it overlapped yours. Stop me if any of my questions are repetitive.

Getting back to the origin of Canadian Arctic Producers, it was established, I understand, with the blessing of the Department of Indian Affairs and Northern Development, to correlate the development of Indian and Eskimo art, the quality of production and the marketing of it. Is your association, or organi-

[*Interpretation*]

et qu'on achète la sculpture, il faudra alors reprendre l'œuvre, et aussi l'argent; les complications sont nombreuses.

M. Simpson: Vous avez dit que l'une des compagnies qui font de la vente est la Compagnie de la Baie d'Hudson?

M. Pearson: Oui.

M. Simpson: Partout au Canada, je suppose.

M. Pearson: Certains préfèrent acheter les objets eux-mêmes, mais nous en vendons beaucoup aux magasins de la Compagnie de la Baie d'Hudson. La Compagnie de la Baie d'Hudson ne s'est pas lancée dans le domaine des œuvres d'art esquimau. Elle vend quand même des œuvres d'art en lots aux détaillants, mais il se peut qu'on obtienne une caisse chargée uniquement de petits loups-marins, par exemple, qui prennent du temps à vendre. Quant à nous, nous ferons des expéditions sélectionnées pour les vendeurs, nous choisirons des objets en fonction des goûts et des besoins de leurs clients. Voilà d'ailleurs pourquoi les magasins de la Compagnie font affaire avec nous.

M. Simpson: C'est justement la question que j'allais poser. Faites-vous une sélection quand la marchandise arrive pour ensuite les expédier aux vendeurs, ou bien les détaillants délèguent-ils des acheteurs?

M. Pearson: On nous envoie parfois un acheteur. Par exemple, nous en avons justement eu un de Montréal il y a deux jours. Dans ces cas, nous aménageons notre salle de montre et étalons tous les objets que nous avons. Nous connaissons l'acheteur et ses goûts. Celui-ci passera la matinée entière à examiner les objets et fera son choix.

M. Simpson: Voila toutes les questions que je voulais poser.

Le vice-président: Monsieur Southam, vous avez une question?

M. Southam: Monsieur le président, veuillez excuser mon retard, mais j'assistais à la réunion du Comité de l'agriculture. Je voudrais que vous m'arrêtiez si mes questions semblent répéter ce qui a déjà été dit. La Société des producteurs de l'Arctique a été établie avec la bénédiction du ministère des Affaires indiennes et du Nord canadien, pour coordonner le développement de l'art esquimau et indien et aussi améliorer les qualités de la production et assurer la commercialisation de cet art. Est-ce que votre organisation

[*Texte*]

zation, independent from the Department of Indian Affairs, or is it in the form of a Crown corporation?

Mr. Pearson: No; it is a private company.

Mr. Southam: It is a private company?

Mr. Pearson: Under federal charter.

Mr. Southam: In the wholesaling sphere, more or less, I take it?

Mr. Pearson: Yes.

Mr. Southam: That being the case, the success of your endeavour should follow the concept of what is in the mind of the Department of Indian Affairs and Northern Development, that is, to further enhance the general Eskimo and Indian economy. That is right, I would presume.

I notice that you have grown from $60,000 in sales up to an estimated $1 million in the year 1969-70. Is that correct?

Mr. Pearson: Yes.

Mr. Southam: What effort, if any, is put into the promotion of your sales—I am thinking here of the advertising media such as newspapers, radio and TV—to increase or encourage the demand for Eskimo and Indian art, not only in the minds of potential Canadian customers but those in other parts of the world?

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Mr. Mitchell: We do this through publications of brochures and catalogues, of which there are several types. We have catalogues for the art market and for the winter sports field, in the way of garments, boots, mitts and things of that kind. We put out several publications each year and distribute them throughout Canada and abroad.

Mr. Southam: What percentage of your present total budget would be devoted to this particular field of advertising? I have been in business myself, as have many members of the Committee, and the success or failure of any endeavour in this modern day and age is dependent to a great extent on the proper use of the advertising spheres. Are you satisfied that you are utilizing enough of your capital reserve in this field?

Mr. Mitchell: For sales development promotion this year, we are estimating an expenditure of $30,000. Approximately $10,000, which is 1 per cent of a million, is going into actual advertising and promotion material. This

[*Interprétation*]

est indépendante du ministère ou est-elles un genre de société de la Couronne?

M. Pearson: Non. C'est une compagnie privée.

M. Southam: C'est une compagnie privée?

M. Pearson: Qui a une charte fédérale.

M. Southam: Dans le domaine de la vente en gros surtout, je suppose . . .

M. Pearson: Oui.

M. Southam: Votre entreprise a du succès dans la mesure où vous suivez le concept du ministère des Affaires indiennes et du Nord canadien, soit de faire avancer l'économie des Indiens et des Esquimaux. C'est ce que vous faites, n'est-ce pas?

Je remarque que vous êtes passés de $60,-000 de ventes à près d'un million en 1969-1970, à peu près. Est-ce vrai?

M. Pearson: Oui, c'est exact.

M. Southam: Quelle méthode, s'il en est, utilise-t-on pour la réclame? Faites-vous de la publicité dans les journaux, à la radio, à la télévision pour encourager ou accroître la demande pour les œuvres d'art esquimaudes et indiennes, non seulement auprès des consommateurs canadiens, mais dans le monde.

M. Mitchell: Nous publions des catalogues et différents types de brochures pour le marché de l'art, nous avons des catalogues pour les vêtements des sports d'hiver et les choses de ce genre. Nous publions divers ouvrages durant l'année que nous diffusons par tout le Canada et à l'étranger.

M. Southam: Quelle proportion de votre budget est dépensée pour la publicité? J'ai été en affaires moi-même comme d'autres personnes ici, et je sais que, de nos jours, la réussite d'une entreprise dépend dans une grande mesure du sage emploi de la publicité.

Êtes-vous d'accord que vous exigez suffisamment de votre capital dans ce domaine?

M. Mitchell: Des dépenses pour la promotion de l'amélioration des ventes sont estimées à $30,000 cette année. Environ $10,000 ce qui représente 1 p. 100 d'un million seraient investis dans la publicité et dans la documen-

[*Text*]

material includes illustrations and literature, and we participate in trade shows, gift shows, exhibitions and things of this nature throughout North America and Europe.

Mr. Southam: Do you feel it is being fruitful?

Mr. Mitchell: Oh yes. It is only this last year that we have had enough finances to embark effectively in the promotional field. It has been very fruitful. It enables us to get the word across the country and abroad that we have something worthwhile to sell, and by fairly wide distribution of sales material we do have effective response.

Mr. Southam: I am glad to hear you say that because even though the figure of $1 million sounds fairly impressive, it is still relatively small for what I consider to be the over-all potential of this particular line of art in world markets.

Do you people, either in conjunction with the Department of Indian Affairs and Northern Development or by yourselves, put any effort into special training programs among the Indians and Eskimos to meet the particular quality of artifacts that you find there is a market for? We have had a number of people in the North who were really artists in their own way, but more or less what we would refer to as amateur artists, because they had no special training. It was just a natural aptitude which they had developed from experience. On the other hand they had people working with them in these co-operatives who possibly could stand to be trained to improve the quality.

You can get an analogy going back to Walt Disney, who was an artist in his own right in the production of cartoons. He would come up with the original idea, but he trained other artists to fit into his work force and to do subsidiary parts of the work. Yet it helped in the overall, not only to enhance his art work, but to create a bigger production, a greater volume of his product for the world market.

I am thinking this same concept should apply to Indians and Eskimos if and where we have key people in the production of original art of that kind. Are you people involved in this type of a training program, or giving any encouragement along that line?

Mr. Mitchell: This actually has been gone into earlier, and I could answer by saying that Eskimo art—this is what we are talking about—is not something that we taught the

[*Interpretation*]

tation publicitaire, y compris les publications, les brochures et la participation à certaines expositions commerciales, de nouveautés, etc., en Amérique du Nord et en Europe.

M. Southam: Vous croyez que cela réussit bien?

M. Mitchell: Oui. C'est seulement l'année dernière que nous pouvions nous permettre financièrement de nous engager dans ce domaine de la publicité. Cela a eu beaucoup de succès. Cela nous permet de le faire connaître dans tous les pays et outre-mer la qualité de ce que nous avons à vendre, et la distribution assez répandue de nos articles de vente a été bien accueillie par le public.

M. Southam: Même si le chiffre d'un million de dollars est assez impressionnant, c'est tout de même une somme assez peu élevée si l'on tient compte de toutes les possiblités de ce genre d'objets d'art sur les marchés mondiaux.

Est-ce que vous avez établi de concert avec le ministère des Affaires indiennes et du Nord canadien des programmes particuliers de formation des indiens et des esquimaux pour faire valoir des œuvres d'art de qualité qui répondent aux exigences du marchés? Un bon nombre de personnes dans le Grand-Nord étaient réellement des artistes qui avaient plus ou moins un certain talent d'amateurs faute d'une certaine formation. Ils ont une habilité naturelle formée par l'expérience. D'autre part, les gens qui travaillent avec eux dans les coopératives pourraient être formés pour améliorer leur qualité.

Vous trouverez la même chose, par exemple avec Walt Disney qui était lui-même un artiste pour la production des dessins animés. C'est lui qui avait des idées brillantes mais il a formé d'autres artistes qui se sont adaptés à son travail et ont effectué des petits travaux de l'ensemble du travail. Cela a rehaussé la conception des œuvres de Walt Disney, tout en accroissant la production et la quantité de sa production sur le marché international. Et je crois que le même concept pourrait être appliqué aux œuvres d'art indiennes et esquimaudes si l'on initiait des personnes compétentes à l'art primitif de ce genre. Est-ce que vous avez déjà pris des initiatives pour établir un programme de formation et pour encourager sa mise au point.

M. Mitchell: Nous en avons déjà parlé, mais je dirais que l'art esquimau, dont nous parlons maintenant n'est pas quelque chose que l'on enseigne aux esquimaux. C'est quel-

[*Texte*]

Eskimos. It is a product of the Eskimos' peculiar environment. It is the product of several thousands of years of living under given conditions, of the Eskimo's ability to live by his intelligence and his powers of observation. This is what Eskimo art is. Eskimo art got where it is today not from anything that anybody taught them. In fact, when you start teaching Eskimos art, this is where Eskimo art is reduced to something that is no longer Eskimo art.

• 1255

What we are trying to do here is to develop the inherent skills and abilities of people. We are not trying to teach them anything. They already have it. If we tried to impose something, it would be only our standards that we would impose. The people who work with us most are trying to encourage and to assist in the expression of what is already there. We are not giving them something. They are giving us something.

Mr. Southam: I appreciate that, but even in our own white society we find that young people may be exposed to art or they may have these inherent abilities, but we take some pains to train them, to help improve their techniques through training. This is where we get our Canadian artists from among the whites. I am just wondering if there has been special consideration given to this with regard to the aptitudes of Eskimo and Indian people, who should be encouraged if they have these special aptitudes.

Naturally every Indian and Eskimo does not have the aptitude for art. These are only a few people. Is there any special training program for them? It may not be in your field at all, but I am interested in this because I think it would enhance the general economy of our Eskimo and Indian people in the North if this type of program was conducted.

If I have heard correctly, a while ago in answer to another question you said your people were trying to—I would not say curtail the prices or the expansion of this industry—feed it to the market in such a way and pricing it in such a way that you maintain a price level. Does this, do you think, enhance the opportunity for the majority of your people in the Indian and Eskimo areas to make the maximum contribution?

Mr. Mitchell: Yes, this is right. All Eskimos, as you say, are not artists. Some are craftsmen of varying ability. Some actually should not be carving at all. But we have established markets for all levels. Our func-

[*Interprétation*]

que chose qui est particulier à l'environnement esquimau, qui existe depuis des milliers d'années d'un mode de vie dans certaines conditions, découlant des talents de survivance de l'esquimau par son intelligence et son pouvoir d'observation. C'est que c'est l'art esquimau, ce qui est devenu l'art esquimau sans que l'on leur ait appris quoi que ce soit. Si l'on commençait à enseigner cet art, on en diminuerait la valeur et ce ne serait plus l'art pur.

Nous tâchons de mettre en valeur les talents et les aptitudes indigènes et de ne pas leur apprendre cet art, car ils l'ont déjà. Si nous tâchions de leur imposer quelque chose, ce ne serait que nos propres normes. Les gens qui travaillent avec nous essayent d'encourager et de prêter concours à ce qui existe déjà. Nous ne leur apportons rien, car ce sont eux qui nous apportent quelque chose.

M. Southam: Je suis bien d'accord avec vous, mais même dans notre société blanche, nous nous rendons compte que les jeunes sont exposés à l'art, ils peuvent afficher certains talents, mais il faut tout de même les former, les aider à améliorer leurs techniques par une certaine pratique. C'est comme cela que l'on forme nos artistes canadiens parmi notre société. Je me demande si l'on en a vraiment tenu compte à l'égard des aptitudes des indiens et des esquimaux pour les encourager, s'ils sont vraiment doués. Bien sûr, tous ne le sont pas, il n'y en a que quelques-uns. Y a-t-il un programme de formation pour eux? Ce n'est peut-être pas de votre ressort, mais ce qui m'intéresse, à ce sujet, c'est que cela pourrait rehausser l'économie esquimaude et indienne dans le Grand Nord, si un tel programme était réalisé. En réponse à une autre question, j'ai eu l'impression que vous essayez de mettre ces œuvres sur le marché et de fixer les prix d'une telle manière qu'il soit possible—de ne pas réduire les prix ou l'expansion de cette industrie—mais de maintenir le niveau des prix. Croyez-vous que c'est la meilleure façon de donner le plus de perspectives possibles aux esquimaux pour qu'ils fournissent un effort maximal?

M. Mitchell: Comme je l'ai dit, tous les esquimaux ne sont pas des artistes. Certains montrent un certain talent d'artisanat, d'autres pas du tout. Mais nous avons des marchés établis pour tous les niveaux. Notre

[*Text*]

tion here is to distinguish the levels of excellence or acceptance, in which case we have a market for those who have little or no artistic ability and markets for those who have.

In answer to your other question, the development of talent in individuals, this has been done and is being done. In fact there is an Eskimo at an art school in Toronto at the moment. They are not teaching him art. He can express himself better than most southern artists can. What they are teaching him is technique. How to use different materials like stone and metal, and this actually is being done and will be done to a greater extent in the future.

Mr. Southam: One last question. Your pricing formula, the attitude you take towards the maintenance of these pricing levels, you do not think deters from the general over-all development of this?

Mr. Mitchell: No.

Mr. Southam: I would not say you people are in a monopolistic position, but I do not think there are any other organizations in Canada in the same endeavour that you are in.

Mr. Pearson: Yes, there are other organizations in Canada in the same endeavour that we are in, the Hudson's Bay Company being one, and another being the Quebec co-operative group in Levis. They certainly are in competition directly. But there is a tremendous market for good Eskimo art, fine art, and indeed it is probably a situation where anyone who has more training in economics than I have can explain—the higher the price the more you sell. It is a reverse demand type of thing.

Mr. Southam: You say the Hudson's Bay Company are also in the wholesale field. They gather in the art from the various co-operatives and so on, and they are in strict competition with you people.

Mr. Pearson: Yes.

Mr. Southam: Thank you, Mr. Chairman.

The Chairman: Gentlemen, Mr Dinsdale is next. I noticed our time is running out, and there is one thing perhaps I should have asked for earlier and that was a motion to append this brief by Canadian Arctic Producers to the Minutes. May I have a motion to that effect?

Mr. Simpson: I so move.

[*Interpretation*]

fonction c'est de distinguer ce qui est excellent et ce qui est acceptable de la production. De cette façon, nous avons un marché pour ceux qui n'ont que peu ou n'ont pas de talent artistique et des marchés pour ceux qui n'en ont pas. En ce qui concerne l'autre question, le développement du talent est quelque chose qui a déjà été fait. Il y a d'ailleurs un esquimau à l'école des beaux-arts à Toronto, en ce moment. On ne lui enseigne pas de l'art. Il peut s'exprimer peut-être mieux que certains d'autres artistes du Sud. On lui enseigne la technique de l'emploi de certains matériaux, comme de la pierre, du métal. On en fait et en fera dans une plus grande mesure à l'avenir.

M. Southam: Une dernière question en ce qui concerne les prix. Votre opinion sur la stabilité de ces niveaux de prix ne découragera-t-elle pas le développement général?

M. Mitchell: Non.

M. Southam: Je ne dirais pas que vous êtes dans une situation monopoliste, mais je ne pense pas qu'il y ait d'autres organisations canadiennes qui font les mêmes efforts que vous.

M. Pearson: Oui, bien sûr, il y a d'autres organisations au Canada qui œuvrent dans le même domaine, la société de la Baie d'Hudson et une coopérative québécoise à Lévis qui sont certainement en concurrence directe avec nous, mais il y a beaucoup de débouchés pour les œuvres d'art esquimaudes qui sont excellentes. C'est probablement ce que les économistes appelleraient plus le prix est élevé, plus on en vend. C'est l'inverse de la demande normale sur le marché.

M. Southam: Vous dites que la société de la Baie d'Hudson est aussi dans le secteur de la vente en gros. Ils achètent les différents types d'arts des coopératives et sont quand même en concurrence avec vous.

M. Pearson: Oui.

M. Southam: Merci, monsieur le président.

Le président: Monsieur Dinsdale est le suivant. Je m'aperçois qu'il nous reste très peu de temps. Il y a une question que j'aurais peut-être dû demander plus tôt, c'est de présenter une motion concernant l'appendice du mémoire de la Société PAC. Puis-je présenter cette motion?

M. Simpson: Je le propose.

[*Texte*]

Mr. Dinsdale: I am trespassing on time. I am in the unfortunate position of covering two committees simultaneously, and I am vitally interested in this so I will not trespass on your patience any further. I will ask one or two short questions.

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Are imitations still a problem? Cheap imitations, very credible imitations. How do you cope with them?

Mr. Pearson: It is a problem, but perhaps not as great a problem as some people think. In the fine arts field I do not believe it is nearly as great, anymore than a copy of the Mona Lisa is a substitute for the Mona Lisa itself. As Eskimo art has become more and more accepted people are really looking for the real thing, so that in that field, no. In the more craft-like field it becomes more of a problem and one of the ways we try to deal with it is that we police our retailers, our dealers. If we find dealers handling those kinds of goods it is very difficult for them to retain their dealership in that sense.

Mr. Dinsdale: So the educational program to establish a brand for these fine carvings has pretty well been accepted now by the public. Are the Japanese in the market?

Mr. Pearson: No, as far as we know, no. Most of the competition of this type comes from Canadian suppliers. They were at one time but they voluntarily withdrew and I suppose they still refrain They were very co-operative.

Mr. Mitchell: Actually I had a call from the Japanese Trade Commission. We appeared on a television program last year. In fact two of us sat on the public affairs programs "The Way It is" and "W5". The Japanese Trade Commission got hold of us and asked us if we had any evidence on Japanese fake Eskimo carvings and we said no, we did not. There were five companies producing it in Canada—five Canadian companies. They also requested that if we did at any time in the future come across evidence to this effect we immediately notify them for the reason that they are trying to build an image in the electronic industry, in equipment and machinery and what

[*Interprétation*]

M. Dinsdale: Je dépasse le temps. Je fais partie de deux Comités en même temps, et je m'intéresse beaucoup à ce problème. Je ne veux pas abuser de votre patience plus longtemps, j'ai seulement une ou deux petites questions. La question des imitations, constitue-t-elle encore un problème? Des imitations bon marchées, bien pauvres et comment comptez-vous résoudre ce problème?

M. Pearson: Bien sûr, que cela nous cause des difficultés, mais peut-être pas autant que certains pensent. Dans le domaine artistique, je ne pense pas qu'il soit tellement important, tout comme la copie de la *Mona Lisa* n'est qu'une contrefaçon. L'art esquimau est de plus en plus accepté. Les gens cherchent ce qui est authentique, alors je ne pense pas qu'il y ait de l'imitation dans ce domaine.

Dans certains domaines d'artisanat, le problème est beaucoup plus épineux et une des façons de régler le problème est de surveiller nos détaillants, nos vendeurs. S'il y en a qui vendent ces articles, il devient très difficile pour eux de conserver leur permis en ce sens.

M. Dinsdale: Le public a donc accepté maintenant le programme d'éducation afin d'établir une marque pour ces belles sculptures. Est-ce que les Japonais sont dans ce marché?

M. Pearson: A ma connaissance, non. La concurrence dans ce secteur vient surtout des fournisseurs canadiens. Les Japonais en ont déjà fait partie mais ils se sont retirés volontairement et je suppose qu'ils s'en abstiennent toujours. Ils sont très coopératifs.

M. Mitchell: J'ai reçu un appel de la commission commerciale du Japon. Nous avons paru à la télévision l'année dernière. De fait, deux d'entre nous ont participé à deux programmes d'affaires publiques, «*The Way it Is*» et «*W-5*». L'attaché commercial japonais a demandé s'il y avait des imitations japonaises de sculptures esquimaudes et nous avons dit que nous n'avions aucune preuve qu'elles existaient. Il y avait cinq sociétés qui en fabriquaient au Canada, cinq sociétés canadiennes. Ils ont aussi demandé que s'il y avait des imitations japonaises sur le marché, qu'ils en soient avertis immédiatement car ils tentent d'établir une réputation dans l'industrie

[*Text*]

not, and they do not want to be associated with cheap souvenirs; and they are very careful about this.

Mr. Dinsdale: Do you have a special association with the Eskimo co-operatives or do they dispose...

Mr. Mitchell: No, the Eskimo co-operatives are really our suppliers.

Mr. Dinsdale: This is your main source of supply.

Mr. Mitchell: This is our main source of supply. About 60 per cent of our supply comes from co-ops.

Mr. Dinsdale: So they supply exclusively through your organization?

Mr. Mitchell: Most of them. Some do deal independently as well as supply us. But I think we are the main recipient.

Mr. Dinsdale: How many co-ops are there now? Are they expanding?

Mr. Mitchell: In the Northwest Territories, all together there must be about 28.

Mr. Dinsdale: Does your group provide any of the know-how in the operation of the co-ops?

Mr. Pearson: Not officially.

Mr. Dinsdale: This is through the department, I suppose.

Mr. Pearson: Yes, but if we are travelling up there, we spend a fair amount of time trying to help them, and we certainly do from down here.

Mr. Dinsdale: I will not go any further at this stage.

The Vice-Chairman: Thank you, Mr. Dinsdale. I find myself with no questions left. I had one in my mind all day and Mr. Dinsdale asked it at the last moment, concerning Japanese imitations.

Item 1 stood.

I would like to thank our witnesses very much and we now adjourn to the call of the Chair.

[*Interpretation*]

électronique, l'outillage et la machinerie, et je ne sais quoi, et ne veulent pas être associés avec des objets souvenirs de peu de valeur; ils sont très soigneux de leur renommée.

M. Dinsdale: Avez-vous une entente spéciale avec les coopératives esquimaudes ou est-ce qu'elles disposent...

M. Mitchell: Non, les coopératives sont vraiment nos fournisseurs.

M. Dinsdale: C'est votre principale source.

M. Mitchell: Oui, bien sûr, 60 p. 100 de nos fournitures nous viennent des coopératives.

M. Dinsdale: Elles écoulent donc leurs produits exclusivement par l'intermédiaire de votre organisme?

M. Mitchell: La majorité. Il y a certains esquimaux qui sont indépendants et qui font aussi affaire avec nous. Nous sommes leur principal distributeur, je pense.

M. Dinsdale: Combien y a-t-il de coopératives en ce moment? Sont-elles en expansion?

M. Mitchell: Dans les Territoires du Nord-Ouest il doit y avoir environ 28 coopératives en tout.

M. Dinsdale: Est-ce que votre groupe fournit des renseignements quant au fonctionnement des coopératives?

M. Pearson: Pas de façon officielle.

M. Dinsdale: Par l'intermédiaire du ministère, je suppose.

M. Pearson: Oui, mais lorsque nous voyageons dans ces régions, nous passons beaucoup de temps à les aider, et nous les aidons certainement d'ici.

M. Dinsdale: Je n'irai pas plus loin en ce moment.

Le vice-président: Merci monsieur Dinsdale. Je n'ai plus de question à poser. J'en avais une à l'esprit et c'est monsieur Dinsdale qui l'a posée, au sujet des imitations japonaises. Le poste 1 est réservé. Oui. Je remercie les témoins.

La séance est levée jusqu'à nouvelle convocation du président.

APPENDIX M

BRIEF ON CANADIAN ARCTIC PRODUCERS LIMITED

BACKGROUND

Canadian Arctic Producers Limited (CAP) was founded in October 1965 as a central marketing agency for the arts and crafts programme of the Department of Northern Affairs and Natural Resources. Its purpose was to market the handcrafted production of the northern Indian and Eskimo people, both on behalf of individual groups such as co-operatives and on behalf of the Department's own project areas. CAP was incorporated under the Canada Corporations Act with five $1.00 par common shares being issued. The company is controlled by the Co-Operative Union of Canada, four member of the Board being appointees of the Co-Operative Union and one member being appointed by the Department. The senior offices of President, Vice-President, and Secretary are held by Co-Operative Union members.

On an operational level, CAP has a full-time General Manager responsible to the Board and a staff of 22. The company operates from premises in Ottawa which include offices, showrooms, and warehouse facilities. There are essentially two operating divisions, one to handle the Eskimo fine arts and the other crafts. Because the company's capital is limited to the original $5.00 investment, it has few assets; space, equipment and furniture have had to be rented wherever possible. The company has also had to operate without working capital as it has had neither the earnings nor invested capital to support debt. All products must be held on a consignment inventory basis and all accounts receivable must be financed by individual suppliers. CAP, therefore, has custodial responsibility for some 30 supply groups in terms of both their inventory and accounts receivable.

The company is budgeted to a breakeven cash position on an annual basis, makes no profit, or retained earnings. To finance its own internal operations, CAP relies on two sources of operating funds. A 10% commission is charged all suppliers on the company's invoice price. All revenues beyond this 10% commission are rebated to the suppliers. The company has been given an annual support contract by the Department of Indian Affairs and Northern Development to finance the

APPENDICE M

MÉMOIRE SUR LA «CANADIAN ARCTIC PRODUCERS LIMITED»

HISTORIQUE DE LA SOCIÉTÉ

La société *Canadian Arctic Producers Limited* [*CAP*] a été fondée en octobre 1965 à titre d'agence commerciale pour le programme d'art et d'artisanat du ministère du Nord canadien et des Ressources nationales. Son but est de trouver des débouchés aux produits d'art et d'artisanat des collectivités indiennes et esquimaudes du Nord, pour le compte tant de groupes particuliers, comme les coopératives, que des entreprises du Ministère. La *CAP* a été constituée en vertu de la Loi sur les corporations canadiennes par l'apport de cinq actions ordinaires au pair de $1. La société, qui relève de l'Union coopérative du Canada, est dirigée par un conseil d'administration composé de quatre membres nommés par l'Union coopérative et d'un membre désigné par le Ministère. Les postes de président, de vice-président et de secrétaire sont occupés par des membres de l'Union coopérative.

Au niveau de l'exploitation, la *CAP* comprend un directeur général employé à plein temps et comptable au conseil d'administration, ainsi qu'un personnel de 22 employés. Le siège social, qui se trouve à Ottawa, renferme les bureaux d'administration, des salles d'exposition et des installations d'entreposage. La société compte deux divisions administratives, l'une s'occupant des œuvres d'art esquimaudes, l'autre des produits d'artisanat. Le capital-action étant limité à la mise de fonds de $5, les biens de la société sont peu nombreux; il a fallu louer les locaux, le matériel et l'équipement. La société doit aussi s'administrer sans fonds de roulement ni capital fixe lui permettant de soutenir le crédit. Tous les produits doivent être gardés en consignation et toutes les dettes actives doivent être acquittées par les fournisseurs. La *CAP* remplit donc les fonctions de surveillance du double point de vue de l'entreposage et des dettes actives pour quelque 30 fournisseurs.

La société ne fait aucun profit ni excédent d'exploitation, et son budget est établi annuellement selon un point d'équilibre. Pour financer son administration interne, la *CAP* compte sur deux sources de fonds d'exploitation. Premièrement, elle demande à ses fournisseurs une commission de 10 p. 100 du prix de sa facture. Tout revenu dépassant la commission de 10 p. 100 est remis aux fournisseurs. Deuxièmement, elle reçoit du ministère des Affaires indiennes et du Nord canadien

operating deficits which is in excess of the revenue produced by the 10% commission. This grant is made on the basis of an annual forecast of sales and a projected operating budget.

Since its inception in October 1965, the company has increased the annual sales volume from approximately $60,000 to $800,000. Forecasted sales for the Government fiscal year 1969-70 are $1,000,000.

The company operates on an international scale and although its principal market is still Canada, significant strides have been made in both the American and European market areas. The company is also seeking to expand into other world markets. Over the past three years, the company has built up a network of some 700 dealers in 11 countries. Indicative of the scope of the marketing effort is the fact that over the past three years the company has had, on average, an exhibition or trade show every eight days.

THE ENVIRONMENT IN WHICH CANADIAN ARCTIC PRODUCERS OPERATES

Essential to an understanding of CAP's objectives and operations is the recognition of the rather complex environment in which it must work. The company's suppliers are located over an immense geographical area which creates severe problems both in the transportation of product and, perhaps more importantly, in the communications so necessary for supplier-agency relations. In addition, as its suppliers are Indian and Eskimo people who are frequently not familiar with many of the customs and systems of the business community, and in many cases speak neither English nor French, CAP has had to develop particular empathy and understanding. It has had to devise systems and means of communication which are meaningful to these people. The company has also had to develop very close relation with Government at both the Federal and Territorial level, not only because of its financial dependency but also because its activities are a function of policies and programmes instituted by both Governments. As a consequence, a great deal of management time and effort must be devoted to communication with the Government.

It must also be noted that the company must operate in an area which is sensitive to various interest groups of the general public. The Canadian art community is decidedly interested in both Eskimo arts and crafts and, therefore, in the company's operations. A number of public groups have been formed who are vitally interested in conditions among Indian and Eskimo people and who

un contrat d'appui annuel lui permettant de combler le déficit d'exploitation, c'est-à-dire les frais dépassant les revenus assurés par la commission de 10 p. 100. La subvention est calculée d'après les prévisions annuelles des ventes et des frais d'exploitation.

Depuis sa création en octobre 1965, la société a porté ses ventes annuelles de $60,000 environ à près de $800,000. On prévoit que pour l'année financière 1969-1970, les ventes atteindront un million de dollars.

La société a une exploitation d'envergure internationale car, même si le Canada reste son principal client, elle a trouvé d'importants débouchés, tant aux États-Unis qu'en Europe, et compte en découvrir d'autres sur le marché mondial. Au cours des trois dernières années, elle a établi un réseau de vente composé de 700 dépositaires répartis dans 11 pays. Le fait qu'elle ait tenu une exposition ou une foire commerciale tous les huit jours, en moyenne, au cours des 36 derniers mois, donne un aperçu des efforts déployés.

LE MILIEU DE TRAVAIL

Pour bien comprendre les objectifs et les modalités d'exploitation de la *CAP*, il faut se représenter le milieu plutôt complexe dans lequel elle travaille. Les fournisseurs se trouvent dans une vaste région géographique qui présente de sérieux problèmes pour le transport des produits et surtout pour les communications, élément si important dans les relations entre fournisseurs et agents. De plus, comme ces fournisseurs sont des Indiens et des Esquimaux qui, pour la plupart, ne connaissent pas les rouages administratifs, et qui, dans bien des cas, ne parlent ni l'anglais ni le français, la *CAP* a dû adopter une attitude de bienveillance et de compréhension particulières. Elle a dû élaborer des modes de communication qui ont du sens aux yeux des autochtones. Elle doit, en outre, entretenir des relations très étroites avec les gouvernements fédéral et territorial non seulement en raison de son état de dépendance du point de vue financier, mais aussi parce que son activité est fonction des lignes de conduite et des programmes de ces deux gouvernements. Par suite, il lui faut consacrer beaucoup de temps et de travail à ces relations.

Il faut aussi se rappeler que la société doit œuvrer dans un domaine qui suscite des craintes au sein de divers groupes du public en général. Les artistes canadiens s'intéressent évidemment aux produits d'art et d'artisanat esquimaux et, partant, à l'activité de la société. Il existe, en outre, un certain nombre d'associations publiques qui se préoccupent des conditions de vie des collectivités indien-

fear that CAP may be exploiting its suppliers. Still another special interest group is interested in the preservation of the Nation's cultural heritage and is concerned by the exports of Indian and Eskimo arts and crafts. This is some indication of the complexity of the environment in which CAP must operate.

It is essential to note that CAP is a business dedicated to certain economic objectives. While the company believes that objectives involving Indian and Eskimo people, CAP has neither the resources nor the qualifications to truly judge such overall social objectives, policies and programmes. It therefore attempts to make clear to all what its operating goals and objectives are and to seek advice on how these could be changed to better serve its Indian and Eskimo suppliers.

THE OPERATING OBJECTIVES OF CANADIAN ARCTIC PRODUCERS

Two basic operating objectives have been established for the company. The first is that the company must seek to optimize long run sales of products produced by northern Indian and Eskimo people. It must seek to do this, not only in terms of the physical number of items it sells, but also in terms of the revenue per item which it gets in the market place. It must not, however, sacrifice the long run potential of the market for short run gain. The second objective of the company is that it must attain the maximum level of operating efficiency given the sales objectives which it has. In so doing, it must utilize the most effective tools of business.

As indicated earlier, the company is not dedicated to make a profit, but in essence is dedicated to return the optimal amount of money to its northern suppliers with the minimal operating cost to the company. The extent to which this is a meaningful and important set of objectives in the overall welfare of northern Indian and Eskimo people must be left to others to judge.

MARKETS

Given that the best interests of its Indian and Eskimo suppliers are served by the above-stated operating objectives the critical element in the company's operation becomes that of the market. Ultimately, it is the market which must provide the purchasing power which will permit increasing sales of Indian and Eskimo products. In essence, this market can be divided into two principal segments. The first of these embraces the fine arts products and the second includes all other craft items.

nes et esquimaudes et qui craignent que la *CAP* n'exploite ses fournisseurs. Une autre partie de la population désire conserver le patrimoine culturel du pays et s'inquiète des conséquences de l'exportation des produits d'art et d'artisanat des Indiens et des Esquimaux. Tout cela n'offre qu'un aperçu de la complexité du milieu dans lequel la *CAP* doit agir.

Il importe de souligner que la *CAP* est une entreprise qui veut atteindre certains objectifs économiques. La société se rend bien compte que ces objectifs concernent les collectivités indiennes et esquimaudes, mais n'a ni les ressources ni la compétence voulues pour apprécier efficacement les programmes, les lignes de conduite et les objectifs sociaux pertinents. Elle tâche donc de préciser clairement ses objectifs et de trouver des moyens de les modifier, de manière à mieux servir les fournisseurs indiens et esquimaux.

LES OBJECTIFS

La société s'est fixé deux objectifs: créer des débouchés durables pour les produits des Indiens et des Esquimaux du Nord, en insistant à la fois sur le nombre d'articles vendus et sur le revenu par article mis sur le marché, sans sacrifier pour autant des débouchés durables en vue d'un gain éphémère. Le deuxième objectif consiste à élaborer un mode d'exploitation efficace, en tenant compte des objectifs de vente; à cet égard, la société doit avoir recours aux moyens les plus sûrs.

Comme nous l'avons dit plus haut, la société est une entreprise sans but lucratif; elle cherche plutôt à obtenir les sommes les plus élevées possibles pour ses fournisseurs, tout en maintenant ses frais d'exploitation au niveau le plus bas possible. Il appartient à d'autres de juger de l'importance de ces objectifs pour le bien-être des collectivités indiennes et esquimaudes du Nord.

LES DÉBOUCHÉS

Étant donné que les objectifs susmentionnés sont conçus en fonction des intérêts bien compris des fournisseurs indiens et esquimaux, l'aspect le plus épineux de l'administration de la société est celui des débouchés. Ce sont les débouchés qui assureront le pouvoir d'achat qui permettra d'augmenter les ventes des produits des Indiens et des Esquimaux. Dans l'ensemble, on peut diviser les débouchés en deux parties: le marché des œuvres d'art et le marché des produits d'artisanat.

Consider first the fine arts markets. A sculpture or print has little utilitarian value. Its appeal must be esthetic and the company is, therefore, dealing in a market where it is very difficult to define buying behaviour. It is a sensitive and, to some extent, volatile market in which the products of the northern Indian or Eskimo artist do not only compete with other "so-called" native art, but with all other forms of art. It is essentially an international type of market in which paintings from Europe and prints from Japan and sculpture from our North are in competition. It is a market which relies heavily on opinion leaders—institutions or individuals who are recognized authorities in the field. To gain acceptance for Eskimo art in New York or London, for example, it is essential to gain acceptance in certain public and private collections—New York, the Metropolitan Art Museum; in London, the Tate Gallery In such collections, Eskimo art is judged on its artistic merits and must compete on these merits. It is an unfortunate fact that the art market appears to be little dependent on Eskimo art whereas many Eskimo artists are highly dependent on the art market. To be successful in this field necessitates not only articles of high artistic merit, but a very planned and careful strategy to market these in the right places.

The craft market is not unlike the fine arts market. It too must appeal to the aesthetic if it is to command the price levels required and to make production economically viable. There is no question that a parka can, in terms of its utilitarian benefits, be produced and sold more economically by southern manufacturers. The marketeer must therefore build an appreciation for the handcrafted, for the craftsmanship and artistry of an Indian or Eskimo handcrafted parka. He must convince the market that the additional cost is justified by aesthetic values. Most critical, he must be capable of assuring the market that a constant supply of high quality, handcrafted products will be available. The dealer is, after all, a businessman. He is dependent on not the sale of one article but on the sale of many. He is unwilling to stock a line unless he is confident that this line will be available to him when his customers require it.

All too often in the past, and indeed in the present, Canadian Indian and Eskimo crafts have not been able to meet this requirement. Craftsmen have gained a reputation for inconsistent quality and for not being able to supply a dealer once he has developed a mar-

Envisageons d'abord le marché des œuvres d'art. Une sculpture ou une estampe, qui n'ont pas d'intérêt utilitaire, doivent susciter l'attrait par leurs valeurs esthétiques; la société doit donc traiter sur un marché où il est très difficile de prévoir le comportement des acheteurs. Il s'agit d'un marché instable sur lequel les produits des artistes indiens et esquimaux du Nord doivent soutenir la concurrence aussi bien des œuvres d'art dites indigènes que de toutes les autres formes d'art. C'est un marché international sur lequel les peintures d'Europe, les estampes du Japon et les cultures du Nord canadien se font la lutte, un marché dominé par l'influence des forces qui orientent l'opinion: associations ou particuliers que l'on reconnaît comme des autorités en la matière. Pour stimuler les ventes d'œuvres d'art esquimaudes à New-York où à Londres par exemple, il importe de les faire accepter par certaines collections publiques ou privées (comme le *Metropolitan Art Museum* de New-York et la *Tate Gallery* de Londres). Dans ces collections, l'œuvre d'art esquimaude est jugée d'après ses valeurs artistiques et ne doit soutenir la concurrence qu'à cet égard. Il est malheureux que le marché de l'art s'alimente si peu à l'art esquimau, alors que les artistes esquimaux dépendent en grand nombre de ce marché. Le succès exige que les articles, en plus d'avoir une très grande valeur artistique, soient lancés dans les secteurs prometteurs du marché selon une technique aussi prudente que méthodique.

Le marché de l'artisanat présente les mêmes difficultés. Pour justifier le prix exigé et pour que la production soit rentable, l'article d'artisanat doit aussi susciter l'attrait par ses valeurs esthétiques. Il va s'en dire que du point de vue utilitaire, un parka peut être fabriqué et vendu d'une façon plus économique par les confectionneurs des régions méridionales. C'est pourquoi, dans le cas d'un parka confectionné par un Indien ou un Esquimau, il faut tenir compte de l'aspect artisanal et artistique, convaincre le marché que le prix plus élevé répond aux valeurs esthétiques du produit, et, ce qui est plus important, pouvoir assurer les vendeurs qu'ils seront continuellement approvisionnés en produits de qualité. Le vendeur est avant tout un homme d'affaires qui s'intéresse à la vente non pas d'un seul article, mais d'un grand nombre d'articles du même genre. Il ne consent à écouler un produit que s'il est sûr de pouvoir répondre à la demande de ses clients.

Malheureusement, il est arrivé et il arrive trop souvent que l'offre ne suffise pas à la demande. On croit souvent avoir affaire à des artisans qui ne peuvent produire des articles de qualité égale et qui ne peuvent approvisionner régulièrement les vendeurs

ket. This has tended to create a chaotic market and in a chaotic market no one really benefits, least of all the craftsmen for so frequently he is forced to sell to dealers with large buying power at extremely low prices. It has essentially been CAP's ability to understand these problems within the market place, to adjust its strategy to a sensitive market, and to build a reputation for quality, continuity of supply, and realistic business practices which has enabled it to increase its sales more than tenfold in roughtly three years.

CAP'S LONG RUN OPERATING STRATEGY

Realizing that the full economic potential of northern communities cannot be realized through the production of art objects alone, and in order to utilize the inherent skills of indigenous people of the north, other areas of production must be exploited. In this respect, the company has embarked on a programme designed to expand the product and market areas in which it is involved. It is constantly seeking new products and service opportunities in the market place. In essence, the company is endeavoring to bridge the gap between the productive resources of the northern Indian and Eskimo people and the market opportunities in southern Canada and other areas of the world. CAP seeks, therefore, to provide not only the marketing skills and resources required to sell products, but also advice on the technological requirements, sources of raw material supply, and managerial assistance to small Indian and Eskimo enterprises wishing to capitalize on these opportunities.

In line with this overall policy and programme for expanding the product and market base for its suppliers, CAP has submitted a proposal to Government for a general restructuring of the company's organization and for permanent capitalization. Again within the specific constraints and direction of its objectives, this proposal, if accepted, will permit CAP that flexibility required to meet the opportunities within the market for its suppliers. More important, it will enable CAP to overcome the critical problem which presently exists in terms of payment to its suppliers. Once capitalized, CAP would be able to pay on receipt of goods within normal business terms. This would, of course, greatly improve the working capital position of its supply groups. It would also overcome another serious difficulty which, while perhaps is

une fois que ces derniers ont activé les ventes. Cette situation a contribué à établir un marché discontinu, dans lequel personne ne retire de réels avantages, les artisans étant même réduits à laisser leurs articles à un prix dérisoire aux vendeurs qui jouissent d'un gros pouvoir d'achat. La CAP a peu heureusement comprendre ces problèmes, adapter ses techniques à un marché instable, acquérir une réputation de fournisseur régulier de produits de qualité, et adopter des pratiques commerciales réalistes, grâce auxquelles, en trois ans à peine, elle a décuplé les ventes.

LES TECHNIQUES D'EXPLOITATION

Comme les possibilités économiques des localités du Nord ne peuvent être réalisées par la seule production d'objets d'art, il faut, pour utiliser les qualités intrinsèques des autochtones des régions septentrionales, exploiter d'autres secteurs de production. A cet égard, la société a institué un programme destiné à étendre les débouchés et répandre les divers produits qui l'intéressent. Elle recherche constamment, sur le marché, de nouveaux produits et des occasions de service. En gros, la société tâche de combler le handicap qui existe entre les moyens de production des collectivités indiennes et esquimaudes du Nord, d'une part, et les débouchés des régions méridionales du Canada et des autres pays du monde, d'autre part. La *CAP* s'efforce donc non seulement de fournir les compétences et les ressources voulues pour vendre les produits, mais aussi de donner des conseils sur les exigences techniques, d'assurer les sources d'approvisionnement en matériaux à l'état brut et d'accorder une aide administrative aux petits entreprises indiennes et esquimaudes qui désirent profiter de ces débouchés.

En conformité de cette ligne de conduite et du programme destiné à multiplier les produits et les débouchés à l'intention de ses fournisseurs, la *CAP* a présenté au gouvernement une proposition prévoyant la réorganisation générale de la société et assurant une capitalisation permanente. Si cette proposition est acceptée, la *CAP* aura la souplesse voulue, compte tenu de ses limites et de ses objectifs, pour permettre à ses fournisseurs de profiter de toutes les possibilités du marché. Bien plus, elle pourra résoudre le problème épineux que pose actuellement le paiement des sommes dues aux fournisseurs. Une fois capitalisée, la société pourra payer les articles sur livraison, selon les pratiques normales. Cette mesure améliorerait sensiblement la situation du fonds de roulement des fournisseurs; elle permettrait aussi de surmonter une autre

not as apparent as shortage of capital, is equally important to the long run future of northern Indian and Eskimo producers. It would permit CAP and its suppliers to plan for the long term and to design programmes which are more than of one year's duration. At present, CAP must live from year to year on the basis of its annual support contract from Government.

In conclusion, CAP is dedicated to meaningful operating objectives to serve certain of the economic needs of northern Indian and Eskimo individuals and groups. It does this by searching for profitable market opportunities which can be exploited by the productive resources of its suppliers. As such, CAP is and must continue to be a business operation and it must protect its image and reputation in the market place for herein lies the economic future, not only for CAP, but also of all its suppliers.

difficulté, tout aussi importante bien que moins manifeste, relativement à l'avenir des producteurs indiens et esquimaux du Nord. En effet, la *CAP* et ses fournisseurs pourraient établir une planification à long terme et élaborer des programmes d'une durée de plus d'un an. Actuellement, elle doit vivre d'année en année, en comptant sur le contrat d'appui annuel du gouvernement.

En conclusion, la *CAP* vise d'importants objectifs, cherchant à satisfaire à certains besoins économiques des Indiens et des Esquimaux du Nord, tant sur le plan collectif qu'à titre individuel. A cette fin, elle recherche des débouchés profitables qui peuvent être exploités en utilisant les ressources productives de ses fournisseurs. De ce point de vue, la *CAP* est une entreprise commerciale qui doit continuer de fonctionner en tant que telle; elle doit en outre veiller à sa bonne réputation sur le marché, condition indispensable de réussite économique, tant pour elle-même que pour ses fournisseurs.