



**NORTHWEST TERRITORIES  
LEGISLATIVE ASSEMBLY**

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**The Honourable Michael A. Ballantyne, Speaker**

MEMBERS PRESENT

Hon. Titus Alooloo, Mr. Antoine, Mr. Arngha'naaq, Mr. James Arvaluk, Hon. Michael Ballantyne, Hon. Nellie Cournoyea, Mr. Dent, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Koe, Mr. Lewis, Mrs. Marie-Jewell, Hon. Rebecca Mike, Hon. Don Morin, Hon. Richard Nerysoo, Mr. Ningark, Mr. Patterson, Hon. John Pollard, Mr. Pudlat, Mr. Pudluk, Hon. John Todd, Mr. Whitford, Mr. Zoe

ITEM 1: PRAYER

---Prayer

**MR. SPEAKER:**

Good morning. Thank you, Ms. Mike. Item 2, Minister's statements. Ms. Cournoyea.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 82-12(3): Eastern Arctic Bulk Fuel Contract

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I have a statement to be made on behalf of the Minister of Government Services and Public Works regarding the eastern Arctic bulk fuel contract.

Mr. Speaker, historically the GNWT has purchased fuel for the eastern Arctic from producers in Montreal and had it transported on ships contracted on our behalf by the Canadian Coast Guard.

I wish to advise Members that the department has changed its procedure for the eastern Arctic re-supply and has just entered into a three year contract with a supplier for the supply of fuels directly to Repulse Bay and all Baffin communities.

The value of the contract is approximately \$8 million annually, and is expected to save the government more than \$600,000 over the three years.

This change in POL re-supply to the eastern Arctic was one recommendation from the work of the committees established by the Financial Management Board under the government's expenditure reduction program. Officials of the Departments of Transportation, Energy Mines and Petroleum Resources, and Economic Development and Tourism

worked with Government Services and Public Works to develop the concept and tenders.

Minister's Statement 85-12(3): Access To Government Information

Mr. Speaker, on Wednesday, Members passed a motion recommending the Minister of Justice proceed on a priority basis to prepare a bill that would establish the right of access by the public to information held by government institutions.

As you know, the government took the initiative to produce a legislative action paper on access to government that formed the basis of the Standing Committee on Legislation's recommendations.

The sometimes low level of public turn out to committee meetings on this matter indicates that this initiative is not necessarily a high priority for all northern residents. Regardless, the fundamental principles involved in public access to information should form the basis of public government and we continue to support recognition...

**MR. SPEAKER:**

Point of order, Mrs. Marie-Jewell.

Point Of Order

**MRS. MARIE-JEWELL:**

Mr. Speaker, Members only have the access to government information statement. We do not have the previous statement the Government Leader made. I believe she has gone into a second statement without Members being aware of it. Thank you.

**MR. SPEAKER:**

Your point of order is valid, Mrs. Marie-Jewell. Could I ask the Government Leader if we have a copy of the statement, please identify the statement, and if we do not have a copy, make it an emergency statement. Can you identify your second statement before you begin and start over again, please, Ms. Cournoyea.

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I cannot identify the paper. I was aware it had been in the House, but I do not have it.

**MR. SPEAKER:**

Item 2, Ministers' statements. Mr. Todd.

Minister's Statement 83-12(3): Legislative Action Paper On The Workers' Compensation Act

**HON. JOHN TODD:**

Thank you, Mr. Speaker. In June, 1992, the Standing Committee on Agencies, Boards and Commissions released its final report on the Workers' Compensation Board. That report made specific recommendations for amendments to the act which were to be included in a legislative action paper.

In December, 1992, a chief commissioner, Garnet Garven, was appointed by the government to conduct a review of these recommendations, examine previous reviews and identify other areas for possible consideration in a legislative action paper. The chief commissioner's final report was tabled in this Assembly on February 25, 1993.

Today, I am tabling the legislative action paper. The Standing Committee on Legislation will be asked to review this document

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and conduct further public consultation as appropriate. At the same time, the Workers' Compensation Board will address those other issues included in the chief commissioner's report which do not require amendments to the Workers' Compensation Act.

I caution Members of the Assembly that this document is introduced for discussion purposes. Many of the recommendations have significant cost implications for the workers' compensation system and the Government of the Northwest Territories. Both the board and the government must, therefore, study these recommendations carefully before implementing any of them. Options are identified for many of the proposed amendments, and I am sure other alternatives will come to light in the course of the legislative review process. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 2, Ministers' statements. Mr. Nerysoo.

Minister's Statement 84-12(3): Community Teacher Education Programs

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. Mr. Speaker, aboriginal educators are an important part of our education system. They have helped and will continue to make the languages and cultures of the Northwest Territories an integral part of our school system. They are also an important reason why more NWT students are choosing to stay in school longer. Because of the vital contribution aboriginal educators and aboriginal language specialists make, increasing access to community teacher education programs for northern students is one of my priorities.

Teacher education has been available in the Northwest Territories for many years. In fact, this year marks the 25th anniversary of the western Arctic teacher education program at Thebacha campus of Arctic College.

---Applause

The eastern Arctic teacher education program has been operating since 1979. Although these campus-based programs have been successful, many northerners still cannot attend them because of family and community commitments. Divisional boards of education and communities have also said they want to have greater influence in shaping the programs which prepare teachers for their schools. As a result, community-based teacher education programs have been developed and offered in Rae-Edzo, the South Slave and in the Keewatin regions.

Today, I would like to announce our support for the planning of four new community-based teacher education programs in the Beaufort/Delta, the north Baffin, the Kitikmeot and the Dogrib regions.

---Applause

The Beaufort/Delta teacher education program, as you know, is being undertaken in partnership with the Beaufort/Delta division board of Education, the Inuvialuit social development program, the Gwich'in tribal council and Arctic College.

Up to 50 full-time trainees will receive instruction in the communities of Inuvik, Tuktoyaktuk, Aklavik and Fort McPherson. Trainees in Arctic Red River, Sachs Harbour and Paulatuk will work with instructors who will guide them through some of the course work and provide overall coordination. Trainees in these communities will have to travel to the larger centres to take some of their courses. Some courses may also be delivered through distance education.

The Amittuq-Tununirusiq program will train 34 teachers in the north Baffin community of Arctic Bay, Hall Beach and Igloodik. The program is a partnership project of the Baffin divisional board of education, Arctic College's eastern Arctic teacher education program and my department. The courses will be delivered by instructors who will travel among the three communities. The program will be two years in length.

The Kitikmeot teacher education program is a partnership of the Kitikmeot divisional board of education, Arctic College and my department. Aboriginal language specialists with at least one year of teacher training will be encouraged to enter the program. The program will start this fall, and it is anticipated that at least ten students will enrol.

The Dogrib divisional board of education will offer a two year program in Lac La Martre, in partnership with Arctic College's western Arctic teacher education program at Thebacha campus and my department. The program will start this fall and graduate at least six teachers in 1995. This program is part of a more comprehensive teacher development plan that will also allow trainees in other Dogrib communities to earn some course credits each year.

Mr. Speaker, these programs will be partially funded under the cooperation agreement with the federal government on French and aboriginal languages.

Although we have not yet finalized the agreement and we object to the ten per cent cut to this funding, we cannot wait any longer to plan and comment work on the programs that will be offered in August or September. Through these four proposed community teacher education programs more than 100 new aboriginal teachers are expected to graduate within the next three years, in addition to those graduating from Arctic College's campus-based programs. If they choose, the graduates will be able to continue their studies and work towards a Bachelor of Education degree at McGill University in the east, or at the University of Saskatchewan in the west. I am convinced that partnerships between communities, divisional boards, Arctic College and the department will lead to an increasing number of aboriginal educators who will help make our schools more relevant. I am also confident that the necessary program funding will be available and that I will be announcing final approval of these community teacher education programs. I would also like to indicate, Mr. Speaker, that this statement and the efforts of the

department have been done with the support of my Cabinet colleagues. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 2, Ministers' statements.

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Minister's Statement 85-12(3): Access To Government Information

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I failed to say I was reading a new statement. The statement is 83-12(3). Mr. Speaker, on Wednesday, Members passed a motion recommending the Minister of Justice proceed, on a priority basis, to prepare a bill that would establish the right of access by the public to information held by government institutions.

As you know, the government took the initiative to produce a legislative action paper on access to government that formed the basis of the Standing Committee on Legislation's recommendations.

The sometimes low level of public turnout to committee meetings on the matter indicates this initiative is not necessarily for all northern residents. Regardless, the fundamental principle involved in public access to information should form the basis of public government and we continue to support recognition of those principles in law.

Because the government is facing difficult financial choices in maintaining and improving existing programs, it believes that any new initiative such as access to information must be simple, straightforward and implemented in a manner that does not drive us into a deficit position.

As a result, a draft bill to be presented to the fall session will be accompanied by budget projections. This approach is not intended to discourage legislative action, but to make sure that all Members are aware of the estimated cost of delivering the access to government information program before it is approved and implemented. Thank you.

**MR. SPEAKER:**

Item 2, Ministers' statements. Mr. Alloodoo. Point of order, Mrs. Marie-Jewell.

Point Of Order

**MRS. MARIE-JEWELL:**

Mr. Speaker, the point of order I want to make is the first statement the Government Leader made, we do not have a copy of it. We only have a copy of the second statement that she made. Thank you.

**MR. SPEAKER:**

Thank you, Mrs. Marie-Jewell. I will have the Clerk verify whether or not we have a copy of it. Unfortunately, there is some confusion. I apologize to the House, it was marked "Mr. Morin" and the pages did confuse the situation. They are distributing the statement now. Thank you very much, Mrs. Marie-Jewell. Item 2, Ministers' statements. Mr. Allooloo.

Minister's Statement 86-12(3): Charter Community: Deline

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. I am pleased to announce that the hamlet of Fort Franklin became a charter community on April 1, 1993, and will be known as the charter community of Deline.

---Applause

Fort Franklin will be the first NWT community to obtain this status under the Charter Communities Act. The word "Deline", Mr. Speaker, is Slavey for "Where the waters flow."

Mr. Speaker, many individuals from the community were involved in achieving charter community status for Fort Franklin. I particularly wish to commend mayor Gina Dolphus and chief Raymond Taniton, along with the members of the hamlet, band councils and the one community government working committee, for their fresh thinking and hard work. The residents wanted to establish a one-community government and ensure community control in decision-making. The community charter, developed jointly by the band and hamlet councils and approved by the residents, creates a joint council with representation from the band and the community at large. In essence, Mr. Speaker, this will be a one-community government that is truly representative of the people it serves.

Mr. Speaker, the Department of Municipal and Community Affairs is currently working with the settlement corporation of Arctic Red River toward charter community status, and other communities

have expressed interest as well in exploring the benefits of becoming a charter community.

We are, Mr. Speaker, entering a new and exciting stage in the evolution of community government. Residents of a community have an opportunity, at the grass roots level, to create a governing body that is a true reflection of the people it represents. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:**

Thank you, Mr. Allooloo. Item 2, Ministers' statements. Item 3, Members' statements. Is there one more Ministers' statement? Mr. Nerysoo.

Minister's Statement 87-12(3): Support For Heritage Resources And Programs

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. The Department responsible for Education, Culture and Employment Programs provides a full range of heritage programs and services. The effects of these programs are far reaching, and their success depends very much on the participation of the public. To ensure that the needs of the communities are met consistently, fairly and equitably, my department is developing a strategy to guide the distribution of financial and professional support to museums, historical buildings and heritage projects. At this point, I would like to bring the Legislative Assembly up-to-date on our progress on this strategy.

The role of the museums/heritage division is to provide community groups with the tools, professional expertise and financial support they need to preserve the aspects of their heritage they consider to be most significant. I would like to emphasize, however, that community initiative is critical to the operation of community-based heritage programs. My department will work to provide programs and services that are flexible and will respond to community needs, however, the initiative for community-based heritage programs should rest with the communities.

My department's goal is -- within the constraints of our budget and staff resources -- to support heritage programming in any

community that expressed a desire to participate. To meet this goal, and to provide consistent and fair service, our proposed strategy will incorporate a number of features. These include three proposed policies that will define and provide direction for NWT heritage programs.

Standards and criteria required to provide a consistent and equitable basis for the delivery of all heritage services are also being proposed. My department proposed to encourage and coordinate a network of community-based heritage groups to improve communication between government and communities, as well as encouraging increased communication among the communities themselves. The range of professional, financial and advisory services offered by the museums/heritage division will be advertised to the communities and a framework will be developed for legislation to protect historic buildings and heritage sites.

The three proposed policies will guide heritage services, archives operations and the disposal of library and museum collections. The heritage services policy would identify heritage programs administered by the department and define those programs, and the relationship between the museums/heritage division and community-based heritage programs.

The Northwest Territories archives policy would provide direction for administration of the Northwest Territories archives, particularly with regard to the collection, preservation and management of non-governmental records. The responsibility for the government records is addressed under the Archives Act, the collections disposal policy would provide the direction and accountability for the disposal of library museum collections, particularly, with regard to the transfer of those collections to department-based programs.

**MR. SPEAKER:**

The time for Ministers' statements has elapsed. Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. I would like to seek unanimous consent to conclude my statement.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Mr. Speaker, I would like to thank my honourable colleagues for their support. The department is also proposing a strategy for equitable distribution of funding and services to heritage projects. This strategy will establish criteria for contributions in five areas: capital contributions for heritage centre, core funding for the operation of heritage centres, capital contributions for heritage projects, capital contributions for territorial heritage buildings and grants for special heritage projects.

The department is also proposing a set of guidelines to administer the funding programs identified.

---Applause

**MR. SPEAKER:**

Item 3, Members' statements. Mr. Lewis.

**ITEM 3: MEMBERS' STATEMENTS**

Member's Statement On Cancellation Of Tree Of Peace Kindergarten Program

**MR. LEWIS:**

Thank you, Mr. Speaker. The Tree of Peace has operated educational programs since 1972. I was approached by Mr. Eagle on March 25 because he and I had, in fact, been involved in many of these contribution agreements in the 1970s. He told me that he was uncertain about the future of the Tree of Peace but he had nothing in writing as to what exactly was happening and what the commitments were. I talked to the Minister of Education who assured me that, in the last week of December, a letter had been sent to the Tree of Peace indicating what the future of the kindergarten programs, and the funding arrangements for adult education programs, would be.

That afternoon I went to the Tree of Peace and found that the last letter that the Tree of Peace had received from the department was from a year and a half ago. So, I returned to the House and asked Mr. Nerysoo if he would fax a copy of the letter to Mr. Eagle, so that Mr. Eagle would know exactly what was intended. No such letter was available, so a new one was written dated March 25 that went to Mr. Eagle indicating that,

in fact, as of the end of this year, June, there would be no money for the kindergarten program. This program has existed, as I have said, Mr. Speaker, since 1972 because it is a very unique kind of program in which 32 students are involved and 80 per cent of them are aboriginal young people. The impetus for the program began with Florence Erasmus in the early days, who felt very strongly that young aboriginal people should have some grounding in their language and culture. It was on that basis that this particular program was funded through the Tree of Peace. The department has indicated in its letter to Mr. Eagle that he would like to discuss what options may be available to the Tree of Peace if they wish to continue with this program, and they are prepared to sit down to discuss it. However, it seems clear from the letter that the department no longer wishes to fund the kindergarten program at the Tree of Peace and there should be an explanation as to why, in fact, that program is now being cut. Thank you.

**MR. SPEAKER:**

Item 3, Members' statements. Mr. Pudluk.

Member's Statement On PanArctic Dumping Of Waste In Arctic Ocean

**MR. PUDLUK:**

(Translation) Thank you, Mr. Speaker. I stand today with regard to the response I received to my question concerning the effect of dumping waste in the ocean by PanArctic, and also of the DEW Line covering up the debris, to

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the environment. Mr. Speaker, the return to my written question of February 23, regarding DEW Line and PanArctic, is that the response is not appropriate, it is not adequate. To my understanding, the answer to my question appears to support the dumping of the waste in the ocean. It does not state that they will be confronted to make an agreement with the companies involved.

I further want to say that when we have been away from our country it is hard to determine what it is like. After I have been away from Pond Inlet for awhile, I soon forget what it is like. All of us from the north know the ground which we walk on. If we are to say we are from the Arctic it is true. We all know that the response to my question from the Minister

responsible for the environment, the Minister of Renewable Resources...

**MR. SPEAKER:**

Mr. Pudluk, your allotted time has elapsed.

**MR. PUDLUK:**

Mr. Speaker, I would like to seek unanimous consent to continue with my statement.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Pudluk.

**MR. PUDLUK:**

(Translation) Thank you, Mr. Speaker and colleagues. We all know the area, Beattie Island is where the graves are located. It has been 140 years since those bodies were buried. We saw through television that after 146 years, the bodies which had been buried, when they were dug up, you could still distinguish the bodies and the features, you could recognize them. Today, if you were to be buried in the permafrost of the north, after 146 years you could be recognized. In the statement it is stated that the debris, the garbage, which had been buried underground will reappear in the summer. As far as I know this does not happen because the permafrost does not thaw out very deep.

The way in which I understood the response is, after they are dug up, after they have been buried, they would surface again. I do not agree with this. The response in the written letter, I have come to realize, did not come from the Minister. The response was prepared by the department which is supporting the dumping of the waste in the environment. With an agreement from the Minister, his department can easily do this. So, I do not believe in this response to my question. Thank you, Mr. Speaker.

**MR. SPEAKER:**

If I could just remind Members, we are coming to the end of the session. So if the Members could please show respect to the House and each other as we wind down the session, it would be appreciated. Item 3, Members' statements. Mr. Patterson.

Member's Statement On Social Services Agreement With Town Of Iqaluit

**MR. PATTERSON:**

Thank you, Mr. Speaker. I wish to respectfully comment on statements made by the Minister of Social Services yesterday, in response to Mr. Koe's questions. To the effect that "...it would not be advisable to use the agreement for the transfer of social services responsibilities to the town of Iqaluit as a model because it is ten years old." Mr. Speaker, to inform this House, the town of Iqaluit has been unhappy with these agreement for many years. The agreement is an agency agreement. It gives the town very little flexibility to set its own priorities in the social services areas within its responsibilities. It retains significant controls over major decisions in social services headquarters in Yellowknife and, until recently, payment authorities as well.

I would respectfully suggest that the Honourable Minister of Social Services be committed to responding to the long standing request of the town of Iqaluit to modernize and revise the agreement between her department and the town so that it is not an agency agreement, but a real community transfer agreement. It is not acceptable, in my opinion, that the Minister of Social Services should appear complacent about this ten year old model being inadvisable. She should be committed to revising and updating the agreement so it is a real transfer of power and not a clone of a departmental program. That agreement will not be a model for community transfer as long as there is continued resistance from the government to amending the agreement to transfer real authority and discretion to the town of Iqaluit.

When I was Minister of Social Services, I took steps to ensure the agreement would be substantially amended with fundamental character changes, but I was not around long enough to follow that through. The town is ready and willing to be much more than the department's agent. The town is anxious to set its own priorities and manage available funds with the flexibility to respond to shifting local needs and demands.

In closing, I urge the Minister to direct her officials to work with the town and revise this agreement.

**MR. SPEAKER:**

Mr. Patterson.

**MR. PATTERSON:**

Thank you.

**MR. SPEAKER:**

Thank you.

---Applause

Item 3, Members' statements. Mr. Zoe.

Member's Statement On Agreement With Rae-Edzo School Society

**MR. ZOE:**

Mahsi, Mr. Speaker. Mr. Speaker, the Minister responsible for Government Services and Public Works is well aware of the problems being experienced by the Rae-Edzo school society. Both the society and I have raised these concerns with the Minister, but we have been unable to get a response that makes any sense.

Mr. Speaker, the Rae-Edzo school society has had control over the operation and maintenance of schools in the Rae-Edzo area for over 20 years. In 1971, chief Jimmy Bruno and the then Deputy Commissioner, John Parker, signed an agreement which firmly and clearly established this control. This was reaffirmed by the commissioner and the former Minister of Education in 1982 in an agreement giving the school society exclusive responsibility for maintenance and operation. Again, in 1989, the government affirmed the intent of these agreements in a memorandum of understanding between the

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Minister of Education, the commissioner, the Dogrib divisional board of education and the Rae-Edzo school society. Now, the Minister of Public Works is refusing to negotiate an agreement with the Rae-Edzo school society for the transfer of utilities and maintenance funding for the Elizabeth Mackenzie Elementary School in Rae. The Minister has said that such agreements are not consistent with recent Cabinet decisions.

Mr. Speaker, this reasoning completely escapes me. It is another example of a lack of coordination of the government's policies. This government has made a strong commitment to the transfer of responsibilities to communities. The government says it wants to restore local responsibility and self-sufficiency and community control. Yet, it refuses to recognize the Rae-Edzo school society is capable of administering



this responsibility and is eager to do so and that it has the right to do so under an agreement signed with the Government of the Northwest Territories. If the government will not let go of its control under these circumstances, what hoops will other communities have to go through under the community transfer initiative?

In addition, Mr. Speaker, other Ministers have emphasized to this House that user-pay utilities result in increased energy conservation because the user has a vested interest in the savings. The government applies this rationale to the staff housing strategy when it is convenient, yet...

**MR. SPEAKER:**

Mr. Zoe, your allotted time has elapsed.

**MR. ZOE:**

Mr. Speaker, I seek unanimous consent to conclude my statement.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Speaker. The government applies this rationale to the staff housing strategy, when it is convenient. Yet, apparently it is not a factor now. Mr. Speaker, this situation seriously disturbs me, not only with respect to the Rae-Edzo school society, but because of its implications for other communities who are interested in community transfers, or who have entered into "binding agreements" with this government.

This government must re-evaluate its position and begin negotiations with the Rae-Edzo school society. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Zoe. Item 3, Members' statements. Mr. Pudlat.

Member's Statement On Dumping Of Waste Into Ocean

**MR. PUDLAT:**

(Translation) Thank you, Mr. Speaker. With regard to the statement made by my colleague for High Arctic, Mr. Speaker, the Members sitting on both sides of the House all know that we have grown up in the north and when we were growing up, we never experienced our ancestors dumping waste in the environment. We will be encouraging the government to try to not spoil our environment. We all share the same world and we do not want to dump waste in our environment. There is no agreement in place to prevent the dumping of waste in our environment. Mr. Speaker, I am in full support of the Member for High Arctic and his struggle. I just wanted to comment on that. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:**

Thank you, Mr. Pudlat. Item 3, Members' statements. Mr. Koe.

Member's Statement On Lack Of Action To Improve NWT Economy

**MR. KOE:**

Mahsi, Mr. Speaker. I would like to make a few comments on the state of our economy and employment in the Northwest Territories. Mr. Speaker, many Members of this Assembly, especially our colleague Mr. Todd who has since moved to the other side of this House, have made many eloquent statements about our economy and the status of unemployment in the Northwest Territories.

In the last Assembly, there was a special committee that looked at the economic situations and did extensive work and prepared various strategies. I think the report was titled the SCONE report and dealt on various strategies dealing with arts and crafts, small business, transportation, renewable resources and tourism.

Yet today, Mr. Speaker, we are still faced with the same situations: high transportation costs; chronic unemployment; increased taxes; increasing our WCB rates which affect employment; and increasing paper burdens on businesses, organizations and residences. We are still talking about these things. The budget address which the Minister of Finance

presented to this House relies greatly on non-renewable resource developments and hydro developments. I guess his wish and all of ours is that some of these developments would come to fruition and solve some of the problems we are experiencing.

Also, the new programs, the amalgamation of Education, Culture and Employment Programs, and the Public Works and Housing programs put together are hopefully going to help resolve some of these issues. However, we still need better communication. I think our time for words and studies are long passed. We have heard these over and over again, now is the time for action. Mahsi.

---Applause

**MR. SPEAKER:**

Thank you, Mr. Koe. Item 3, Members' statements. Mr. Arngna'naaq.

Member's Statement On Opposing Opening Of Uranium Mines In The Keewatin

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. I rise today to give my position on uranium mining in any area of the Beverly Qamanirjuaq caribou range. At the time of the federal environmental assessment review hearings which took place in the Northwest Territories for the Kiggavik mine, I had not really taken a position. As the local economic development officer,

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I stood before the panel and indicated that the opening of the mine would create employment in the Keewatin region.

Mr. Speaker, at that time it was my mandate to assist in the creation of employment. That mandate is still part of my responsibilities today. However, I have to take into consideration all the surrounding elements of such proposals. One of the ongoing concerns is the effect that such mines will have on the wildlife which our people have depended upon for thousands of years. Especially in the area around Baker Lake, there is essentially one type of animal which the people are able to subsist on. That, as everyone should know well by now, is the caribou. There are other wildlife which the people hunted traditionally such as the musk-oxen, however they are an endangered species in the area where I live. Mr. Speaker, I would very much like to support something

which will create employment, but a uranium mine has too many unanswered questions which even the people in the industry are not able to answer. I, therefore, have to oppose any move to open uranium mines.

I have over the years become one of those people who is a weekend hunter and thoroughly enjoy traditional foods. I would like to pass on these trades to my children and with the prospects of uranium mines opening in the area where the caribou roam, I do not know whether my children will be able to hunt and eat the same kinds of foods that I am able to enjoy.

I would like to show my appreciation to the people in the community of Baker Lake who fought to hard to preserve our traditional way of life. They were the same people who made presentations at the FEARO hearings against the Kiggavik mine. I believe they did the right thing. I hope they will continue to work together to oppose any opening of uranium mines in the Beverly Qamanirjuaq caribou range. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Arngna'naaq. Item 3, Members' statements. Mr. Kakfwi.

Member's Statement On Traditional Dene Drums

**HON. STEPHEN KAKFWI:**

(Translation) I want to say something in my language. A long time ago when we used to have fun we always depended on our drums. Every time there was a feast or some kind of celebration we always took to the drums, but now we are all mixed here. There are white people here, the Inuit and Dene, but we never celebrate in any way in here. We do not always get what we want in here. When the old people think about us maybe they know how we feel. They think you have to feel good about yourself when you come into a place like this if you want to do something for your people.

Three months ago there was an elder who sent me a drum. I do not know what he was thinking of when he sent me that drum. He sent me a message and he said every time you go to work you might not get everything you ask for, maybe people might not always agree with you but always be peaceful with your people and be kind to everyone. Perhaps all those people who are sitting in there with you cannot

be all bad, maybe there are some good people there you are working with. The people who are sitting there with you, you cannot change them, but the only person we can talk to is you. So, keep this drum with you. You are the only one we could send this message to. We hope every time you look at this drum it will make you feel good and happy.

That is why I have my drum with me.

There are many elders from Franklin who I talked to today. That is why I brought this issue up. I want to thank them for their advice. The message I received from them made me feel good, the drum I received from them made me feel good, and that is why I am making this statement. In the future we may have more of these items in the House where we work. I just want to thank them, that is why I am making this statement. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. Item 3, Members' statements. Mr. Todd.

Member's Statement On Support From Constituents

**HON. JOHN TODD:**

(English not provided)...for the support they have provided me over this past year. In particular, I would like to extend my appreciation for the support provided by the following regional organizations: Keewatin Inuit Association, Keewatin Regional Council, KCC, and the Keewatin Regional Health Board. Without their support and guidance, I think that my position today would be weaker today than it is now. On behalf of my constituents, the people who have been working with me, I would like to thank them for their support. Thank you.

---Applause

**MR. SPEAKER:**

Item 3, Members' statements. Mr. Allooooloo.

Member's Statement On Appreciation Of Peter Gzowski

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Peter Gzowski started golf tournaments throughout the Northwest Territories to raise money for literacy. He has been in Pond Inlet and ever since that time the community of Pond Inlet

has held celebrity golf tournaments. This year it is going to be held in Pond Inlet on May 8. There will be celebrities going to Pond Inlet. I would like to invite all of the Members who are able to come to Pond Inlet to celebrate the spring and enjoy the scenery, which is the best looking community in the Northwest Territories. Mr. Speaker, I am glad that I will be there this year to enjoy the weather and the people, and play golf at the same time, on the ice. Thank you.

**MR. SPEAKER:**

Item 3, Members' statements. Ms. Mike.

Member's Statement On Appreciation Of Constituents

**HON. REBECCA MIKE:**

(Translation) Thank you, Mr. Speaker. I would like to rise today and thank my constituents. Ever since I was elected my constituents have supported me. Ever since I became a Cabinet Member I have not gone to my communities because there was a great deal of work to do. To this date, they have been very supportive and I would like to thank them for that. I would like to apologize that I was not able to be in Pangnirtung when they held hamlet days. For the residents of Clyde River, Broughton Island and Pangnirtung, I would like to thank them. Thank you, Mr. Speaker.

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**MR. SPEAKER:**

Item 3, Members' statements. Mr. Whitford.

Member's Statement On Protection Of Transportation Artifacts

**MR. WHITFORD:**

Thank you, Mr. Speaker. I grew up in the community of Fort Smith. Most of us know that Fort Smith was in its hey day the centre of transportation because it was situated at the foot of the rapids, 16 miles of pretty rough water. Freight had to be hauled either along the shore or, later on in years, along the roads they built to connect Fort Fitzgerald to Fort Smith.

Over the years, Mr. Speaker, there have been many methods of transportation in that area. First of all it was by York boats and then by oxen and horses. Mr. Speaker, when I was a child I remember seeing a boat, two ships, the Distributor and the Mackenzie which were used extensively for hauling freight up

and down the Mackenzie River. In the 1950s both of those boats were situated at a place called Gravel Point and were destroyed by their owners, the Hudson's Bay Company. The boats were burned, and nothing remains of them except for a few small artifacts.

Mr. Speaker, as transportation techniques changed, we went from horses and oxen to steam and gas driven tractors. There are two pieces of equipment which I remember seeing on that portage, they were half tracks and half wheels. They were very slow and noisy. However, they played an important part in getting freight across the portage. They were owned by the Ryan brothers, Mickey and Pat. Later when the Hudson's Bay Company took over those units, they belonged to the Bay and were later purchased by a businessman.

Mr. Speaker, those pieces of equipment risk, again, being destroyed or lost to the territories. In my opinion, they are historical artifacts and they belong in the territories. We run the risk of seeing those pieces of equipment, that spent all of their lives in the territories, going to museums in southern Canada unless we do something about that. I know that the businessman who owns these pieces of equipment is anxious to see them remain in the territories if this government is receptive to acquiring them. I wonder if somehow or another our government can enter into negotiations to make sure that these artifacts...

---Applause

**MR. SPEAKER:**

Thank you, Mr. Whitford. Item 3, Members' statements. Mr. Antoine.

Member's Statement On Final Day Of Session

**MR. ANTOINE:**

(Translation) Thank you, Mr. Speaker. I will be speaking in my own language today. If the House should end today our next meeting will be in the new Legislative Assembly building. Since I became an MLA we have had several meetings, this latest meeting has lasted a month, and we have spoken about many things. We remember the people who we represent and we speak for them. We hope that many of our wishes are fulfilled. When we ask questions we get good responses to them. I am anxious to see the end of this meeting, however, I am

thankful to everyone here and this is why I wish to pass this message on. Thank you.

**MR. SPEAKER:**

Item 3, Members' statements. Item 4, returns to oral questions. Ms. Mike.

**ITEM 4: RETURNS TO ORAL QUESTIONS**

Further Return To Question 643-12(3): Evaluation Of NWT AIDS Project Review

**HON. REBECCA MIKE:**

Thank you, Mr. Speaker. I have a return to oral question, asked by Mr. Lewis on March 30, 1993, regarding the evaluation of NWT AIDS project review.

Mr. Speaker, on March 30, 1993, the Member for Yellowknife Centre asked whether evaluation of the AIDS prevention program conducted by an independent consultant was complete and whether Members of this House could see it.

Mr. Speaker, the results of the consultant's evaluation were incorporated into Tabled Document 91-12(3), Northwest Territories AIDS Project - Review, which was tabled on March 11, 1993. Specifically, the evaluation aspects are contained in chapter four through seven.

Return To Question 642-12(3): SCOF Recommendations On Key Result Indicators

Mr. Speaker, I have a return to oral question, asked by Mr. Antoine on March 30, 1993, regarding the SCOF recommendations on key result indicators.

Mr. Speaker, on March 30, 1993, the chairman of the Standing Committee on Finance asked me which of the health statistics and data requested by SCOF during its review of the 1992-93 budget were available.

A package containing the Department of Health's responses to requests is en route to the Standing Committee on Finance. The health statistics provided include, but are not limited to, the following:

- 1) mortality and sickness statistics and trends;
- 2) local employment in health care;
- 3) health cost containment; and,
- 4) health facility utilization.

There are some outstanding issues that require further clarification or extensive background information and these items will be forwarded to the Standing Committee on Finance as soon as possible. Thank you, Mr. Speaker.

Further Return To Question 634-12(3): Legislative Review Of Health Related Acts

I have another return to an oral question asked by Mr. Koe on March 30, 1993, regarding legislative review of health related acts.

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act with emphasis on health promotion, protection and prevention.

A request for proposal (RFP) was published in News/North and the Globe & Mail. The closing date was January 21, 1993. There were three proposals submitted. None of the three proposals were from a designated northern business.

The proposals were reviewed and rated and, as a result, the department selected Wilson Associates of Edmonton, Alberta. The department is currently finalizing the terms of the agreement. Wilson Associates bring expertise and experience in the areas of public health, health planning and reorganization, and public health law.

Return To Question 651-12(3): Status Of Tobacco Information Officer Position

Mr. Speaker, I have another return to an oral question asked by Mr. Whitford on March 30, 1993, regarding status of tobacco information officer position.

Mr. Speaker, on March 30, 1993, the Member for Yellowknife South asked me whether the Department of Health still has a tobacco education officer.

The Department of Health has not had a person year dedicated to the direct delivery of tobacco education for three years. The direct delivery of service is the responsibility of health boards. Over the past 18 months the department has transferred four health promotion position to the regions. Part of their responsibility is tobacco education.

Many other health workers such as community health representatives, nutritional staff, doctors and nurses are also promoting the non-use of tobacco products, especially by the youth of the Northwest Territories.

The Department of Health is responsible for territorial-wide program planning and development of educational material in relation to smoking. Thank you, Mr. Speaker. That concludes all my replies. Thank you.

**MR. SPEAKER:**

Item 4, returns to oral questions. Item 5, oral questions. Mr. Lewis.

ITEM 5: ORAL QUESTIONS

Question 694-12(3): Provision Of Consultant's Report

**MR. LEWIS:**

Thank you, Mr. Speaker. My question is to the Minister of Health. I have read, Mr. Speaker, in fact I spent a long time reading Tabled Document 91-12(3), and I know that the consultant's report is incorporated in that document. My question to the Minister was could I have the consultant's report. I have decided to take an interest in the AIDS problem, I have the time to do it, and in the interests and spirit of access to information, which will not cost a penny, would the Minister give me that consultant's report so I can brief myself more fully on what the consultant found out.

---Applause

**MR. SPEAKER:**

Ms. Mike.

Return To Question 694-12(3): Provision Of Consultant's Report

**HON. REBECCA MIKE:**

Thank you, Mr. Speaker. Yes, I could provide the consultant's report to Mr. Lewis.

**MR. SPEAKER:**

Supplementary, Mr. Lewis.

Supplementary To Question 694-12(3): Provision Of Consultant's Report

**MR. LEWIS:**

There is a weekend coming up, Mr. Speaker, and I will have some time to read. Could I have that report today, please?

**MR. SPEAKER:**

Ms. Mike.

Further Return To Question 694-12(3): Provision Of Consultant's Report

**HON. REBECCA MIKE:**

Thank you, Mr. Speaker. If it is handy, I do not see any problem.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Pudluk.

Question 695-12(3): Response To Question Regarding Ocean Dumping

**MR. PUDLUK:**

(Translation) Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources and environment, regarding my earlier Member's statement, Written Question 21-12(3) asked on February 23, 1993. Did the Minister take proper consideration before he made the reply?

**MR. SPEAKER:**

Mr. Allooloo.

Return To Question 695-12(3): Response To Question Regarding Ocean Dumping

**HON. TITUS ALLOOLOO:**

Yes, we looked at the Member's question thoroughly. We tried to answer the way the question was posed to us. The question says that PanArctic Oil has also been told by Indian and Northern Affairs not to dispose of their equipment underground. Later on, the Member asked why have these organizations received approval for different ways of disposing of their garbage? Therefore, Mr. Speaker, since he is talking about Indian and Northern Affairs, my department had to research why the Indian and Northern Affairs did not look into letting PanArctic Oil dispose of their garbage underground. The reason they gave us was that first of all PanArctic Oil, in my response to the Member, has not proposed land burial as a method of waste disposal. They go on to say that their reason for not seeking burial on land is because of the high content of ice in the soil. If the garbage were buried in this soil, the freezing and thawing action would eventually cause the garbage to raise back out of the ground.

Mr. Speaker, our position is quite clear. In our meeting my representatives said there should not be ocean dumping.

---Applause

Also, in our statement we said the federal government has to look at their policy which allows industries to dump in the

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ocean. They allow them to dump garbage in the ocean, according to the current process. I have written a letter to the Minister of the Environment asking him to review his policy stating that ocean dumping is not acceptable to the Northwest Territories. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Pudluk.

Supplementary To Question 695-12(3): Response To Question Regarding Ocean Dumping

**MR. PUDLUK:**

(Translation) Thank you, Mr. Speaker. I am very glad to receive that response from the Minister. The written response to my written question was not understandable to me but now I have that background information. The Minister has not really responded to my earlier question. Why does the federal government allow the DEW Line people and PanArctic Oil to dispose of their garbage this way? When we first met about this there were three mandates. The first one was PanArctic's request to dump waste into the ocean, to put it underground, or take it back south where it came from in the first place. There were three choices. We were supposed to look for a fourth option as to what we could do to dispose of this garbage, whether it be dumped in the community dump. However, the fourth option has not been considered. My question was, why was the DEW Line approved in such a way, and PanArctic oil approved in another way. Why did they not allow PanArctic to dispose of their garbage as they did with the Dew Line? This was my question that he did not properly answer. Why are there differences between these two companies?

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 695-12(3): Response To Question Regarding Ocean Dumping

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. First of all, PanArctic oil has not had a proposal to put before the government to bury the garbage. The company has to apply to the Government of Canada to bury its garbage.

Mr. Speaker, that is why, as the Government of the Northwest Territories, we have asked the permit be withheld to dump garbage into the ocean, so we can look at different options including burying it on Lougheed Island or reusing the material. The material could possibly be reused. Mr. Speaker, I have talked to the Member privately and I suggested that he and I go up to Lougheed Island this summer to look at the garbage to see if it could be reused. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:**

Item 5, oral questions. Supplementary, Mr. Pudluk.

Supplementary To Question 695-12(3): Response To Question Regarding Ocean Dumping

**MR. PUDLUK:**

Mr. Speaker, yes, I agree with the Minister. We can go there tomorrow, if possible.

---Laughter

Mr. Speaker, he keeps answering in English, so I might as well ask the question in English as well. Mr. Speaker, I brought this up because many people are concerned about this. I do not know if the Minister will respond before April 15. Could you keep in contact with the Minister of the Environment of Canada to try and avoid this proposed permit? Thank you.

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 695-12(3): Response To Question Regarding Ocean Dumping

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Yes, Mr. Speaker, not only that, I have been writing to him asking his commitment to respond before April 15 and also my

deputy minister is constantly in contact with the federal officials to get that point across. Mr. Speaker, every opportunity that I get I will try to convey our message to the Minister. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Whitford.

Question 696-12(3): Accident At Royal Oak Mine

**MR. WHITFORD:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to ask a question to the Minister responsible for Safety and Public Services. Mr. Speaker, I understand that yesterday there was a serious accident at Giant Yellowknife Mine. Given that the mine has just recently experienced a significant accident involving underground trucks and that the details of this latest accident are fairly sketchy, Mr. Speaker, can the Minister provide the Members with details of this latest accident at the mine?

**MR. DEPUTY SPEAKER:**

Mr. Todd.

Return To Question 696-12(3): Accident At Royal Oak Mine

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Yes, there was a serious accident at the Royal Oak Mine. It occurred at 1:30 in the morning. There was a miner working in the 249 decline. The miners' lower legs were squashed between the bucket of a load/haul dump unit. It is believe that a part of the load/haul dump unit inched forward trapping the miner. The miner is currently in the Stanton Yellowknife Hospital with suspected fractures in both legs.

This is a growing concern of the department. The honourable Member is correct, there have been a number of accidents specifically related to this kind of infraction. We are doing the best we can to ensure that they are meeting industry standards in terms of safety, but at this time, that is the information I have. Thank you.

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Whitford.

Supplementary To Question 696-12(3): Accident At Royal Oak Mine

**MR. WHITFORD:**

Thank you, Mr. Speaker. Mr. Speaker, there appears to be, as the Minister indicated, an alarming number of serious accidents reported from this mine in the last little while. That is, Mr. Speaker, in proportion to the number of mines that are operating in the territories. At least, Mr.

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Speaker, that is the perception. In the matter of a few months, we have had some fairly serious ones and the details of this one are quite alarming. That suggests that equipment is either not being operated properly or may not be maintained properly. Would the Minister ensure this House that a team of inspectors will ensure that the conditions there are safe for workers in that mine?

**MR. DEPUTY SPEAKER:**

Mr. Todd.

Further Return To Question 696-12(3): Accident At Royal Oak Mine

**HON. JOHN TODD:**

I spoke to the gentlemen responsible for mine safety in the Department of Safety and Public Services this morning at 9:00. I have asked him to provide me with an update on the degree of accidents that have happened in that mine and where they have happened, to see if there is any correlation between this accident and previous ones. Once I have that information and we have a more accurate reflection of why these accidents happen, I want to assure the honourable Member that the department of mine safety will be very active in ensuring this man, along with others, works in accordance with the safety regulations as set out in the act.

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Whitford.

Supplementary To Question 696-12(3): Accident At Royal Oak Mine

**MR. WHITFORD:**

Thank you, Mr. Speaker. Mr. Speaker, because the House will be adjourning either today or tomorrow and we may not have an opportunity to deal with these matters publicly, and given the business that the Minister will be undertaking, will the Minister endeavour to keep me informed of the progress at the mine?

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Todd.

Further Return To Question 696-12(3): Accident At Royal Oak Mine

**HON. JOHN TODD:**

I want to assure the honourable Member that he will be kept informed of the results of our investigation and I will also undertake to provide him with the analysis that is currently being done by mine safety inspector as to the degree and extent of the accidents in this mine and in others.

**MR. DEPUTY SPEAKER:**

Thank you. Item 5, oral questions. Mr. Lewis.

Question 697-12(3): Funding For Tree Of Peace Kindergarten

**MR. LEWIS:**

Thank you, Mr. Speaker. In about 1972, the Tree of Peace decided they needed to develop a kindergarten program because many aboriginal people want their children to retain their culture.

Just a few months ago, Mr. Speaker, the Minister of Education said, "By electing me to this Cabinet, the people of Yellowknife have no fear of Richard Nerysoo." I would like to ask the Minister of Education, why has he decided that a program that has existed for more than 18 years to help urban aboriginal people retain their culture suddenly be eliminated?

---Applause

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Nerysoo.

Return To Question 697-12(3): Funding For Tree Of Peace Kindergarten

**HON. RICHARD NERYSOO:**



Thank you, Mr. Speaker. Before I respond to the honourable Member and the remarks he has made, let me clarify this matter very clearly. Mr. Speaker, I want to indicate that one of the first letters I was asked to sign was the matter of reducing \$80,000 to the kindergarten program. I also want to advise the honourable Member, that as a result of that, \$25,000 is going to project change here in Yellowknife where we are doubling from \$50,000 to \$100,000 in literacy programming in the Northwest Territories, as a result of that change. Mr. Speaker, I would also like to advise the honourable Members that nothing in this agreement suggests that we are going to completely cancel the program. We have, in fact, asked the Tree of Peace and Tom Eagle to sit down with us to negotiate a new agreement. If, in fact, we have a responsibility to deliver the kindergarten program we will do so. We need to sit down and negotiate that agreement. The manner in which the program is being presently funded, if all other schools were to receive the same type of funding, we would, in fact, have millions of dollars of cost. What is clear, is the present funding arrangement is not in the correct location. As a result of that we need to sit down and deal with it pragmatically, rationally, responsibly and if the Tree of Peace requires us to fund the program, we will fund it. If we need a new agreement, we will sign a new agreement. That is a commitment from this Minister and this Cabinet.

---Applause

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 697-12(3): Funding For Tree Of Peace Kindergarten

**MR. LEWIS:**

Thank you, Mr. Speaker. On March 25, at the Minister's instigation, one of his officials wrote to Mr. Eagle, and it was a faxed letter which went to him. One of the sentences in that letter reads, "The department is no longer able to provide a contribution towards the kindergarten program offered by the Tree of Peace." Does this mean then that when the Minister says he will assist or help, does this mean that it will be something else besides a financial contribution toward the kindergarten program, or is there still a financial commitment from the government?

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Nerysoo.

Further Return to Question 697-12(3): Funding For Tree Of Peace Kindergarten

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. I do not want anyone to get the impression from the honourable Member's statement that somehow I have decided that we are not going to provide any financial resources. That is not the

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case. If anything, I would hope that from the results of our discussions with Mr. Eagle we can, in fact, come to a conclusion as to how we are going to properly fund the program. The present way in which we are funding the program is based on preschool programming. The Government of the Northwest Territories and all schools are not funded based on preschool. That is the unfortunate situation. However, it must be rectified. I think one of the responsibilities that I have assumed is, in fact, to rectify those problems which exist. It is not necessarily to just cut off programs but to ensure they are properly funded in the right location. That is exactly what we intend to do. If it means we provide financial resources, then that is what we do.

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 697-12(3): Funding For Tree Of Peace Kindergarten

**MR. LEWIS:**

Is the Minister saying that the Tree of Peace does not run the kindergarten program and therefore it is inappropriate for the government to fund that kindergarten program but will find some other way to make a contribution to what the Tree of Peace does that it considers to be of value to this community.

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Nerysoo.

Further Return To Question 697-12(3): Funding For Tree Of Peace Kindergarten

**HON. RICHARD NERYSOO:**

Mr. Speaker, it is incredible that the honourable Member would get up in this House and make the suggestion that the people here do not care about the people of the Northwest Territories, or for that matter people of Yellowknife. Mr. Speaker, I have indicated previously that we are, in fact, committed to providing financial resources if the Tree of Peace staff, Tom Eagle, sit down with us and negotiates the agreement. We will fund, in fact, the program if that is the agreement we reach. We need to sit down. We have asked Mr. Eagle to sit down with us.

**MR. DEPUTY SPEAKER:**

Item 5, oral questions. Mr. Patterson.

Question 698-12(3): Status Of Mine Safety Act Review Committee

**MR. PATTERSON:**

Thank you, Mr. Speaker. The questions earlier in the House today about the accidents at Giant Mine prompt me to ask the Minister of Safety and Public Services about the process which has been under way for some time, to review the Mining Safety Act towards overhauling and updating this legislation. I know the Minister has attempted to involve the labour movement in the review process to make it more complete, so could the Minister give this House a report on the status of the mining safety bill review committee. Thank you.

**MR. DEPUTY SPEAKER:**

Mr. Todd.

Return To Question 698-12(3): Status Of Mine Safety Act Review Committee

**HON. JOHN TODD:**

Thank you, Mr. Speaker. We are close to an agreement to ensure that all parties and all stakeholders are actively involved in the Mining Safety Act committee. I am confident that by Monday we will be able to bring to the table all workers' representatives as well as mine management. At this time, the act is at Justice with respect to having it done into legalese. The component which is of significant interest to the workers in particular are the regulations. They are 60 to 70 per cent along. The new committee or the enlarged committee will then review the act and will complete the regulations which are necessary for this act to be enacted. I am hopeful that with some new members to the committee we will

have a committee which is representative of all workers in the Northwest Territories. Thank you.

**MR. DEPUTY SPEAKER:**

Thank you. Item 5, oral questions. Mr. Koe.

Question 699-12(3): Communication Difficulties Between Education And Tree Of Peace

**MR. KOE:**

Mahsi, Mr. Speaker. I have a question for the Minister of Education, Culture and Employment Programs regarding the issue which my colleague, Mr. Lewis, raised regarding funding to the Tree of Peace. There definitely seems to be a problem of communications between the Minister's staff, or the Minister and staff in the senate of the Tree of Peace. The Minister has made some fairly strong statements today regarding this issue. I am wondering why the statements which he made are not being communicated to his staff so that his staff can communicate the same message to the senate. Would the Minister please respond to this?

**MR. DEPUTY SPEAKER:**

Mr. Nerysoo.

Return To Question 699-12(3): Communication Difficulties Between Education And Tree Of Peace

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. Those remarks will be communicated without doubt.

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 699-12(3): Communication Difficulties Between Education And Tree Of Peace

**MR. KOE:**

Mahsi, Mr. Speaker. As my colleague mentioned this has been a long ongoing program, a very successful program. I think some 700 plus children have graduated from this program. I know, my son who is now 18 years old, it was 12 or 13 years ago that he was enrolled in this program. I know how the staff at the Tree of Peace operate the program. I am fully supportive of what they are doing. In the

correspondence from the department to the senate, of to the Tree of Peace, there seems to be an indication that instead of an education program, that one of the staff members, the assistant deputy minister, thinks that the Tree of Peace is running a day care and not a kindergarten. Can the Minister please clarify that this is not a day care program but a very significant educational kindergarten program?

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Nerysoo

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Further Return To Question 699-12(3):  
Communication Difficulties Between Education And  
Tree Of Peace

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. The honourable Member should not be the only one taking credit for having children attend that particular program, because my child was a part of that program as well and so are other children. The honourable Member should understand, and I have said this clearly, we will sit down with the staff, Mr. Eagle in particular, and negotiate this particular matter. It is not my intention to cut out the program if the program can be properly funded. It is only reasonable for us to do that. Presently, from the way in which it is being funded, it is funded under the wrong program. If we fund it as a teacher, under the educational program where we can fund kindergarten teachers, then it will be funded properly there. That is not the way it is being done now. It is a grant that comes out of Education that is not identified as part of the student/teacher ration or the teaching area. The Member has to appreciate the position that we are in because there are no other friendship centres, there are no other schools that are receiving funding in that method. If we are to do that, that would cause some problems in the way in which we manage our financial resources. The honourable Member can be assured, and I will state it here to the honourable Member as I stated it to my colleague before, as soon as Mr. Eagle wants to sit down and negotiate this matter, we are ready to do so. It will not be with a view of cancelling the program if it is properly funded according to the policies of this government which the honourable Member approved. Thank you, Mr. Speaker.

**MR. DEPUTY SPEAKER:**

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 699-12(3):  
Communication Difficulties Between Education And  
Tree Of Peace

**MR. KOE:**

(Translation) Thank you, Mr. Speaker. (Translation ends) I was not implying that only my son had attended this course, there were approximately 700 other children who attended and I do not think I fathered that many children. I hope not anyway.

---Laughter

**MR. DEPUTY SPEAKER:**

Order, please. Mr. Koe, your microphone.

**MR. KOE:**

My supplementary to the Minister is, you have committed and you have put the onus on Mr. Eagle and his colleagues to set up the meeting, but I in turn will have to put the onus on you, will you meet or commit to meet with Mr. Eagle as soon as possible?

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Nerysoo.

Further Return To Question 699-12(3):  
Communication Difficulties Between Education And  
Tree Of Peace

**HON. RICHARD NERYSOO:**

Mr. Speaker, yes, I will make that commitment here and I have made that commitment to meet Mr. Eagle already. In fact, I have asked him to meet with the staff because I think that from a detailed perspective they would be able to advise him on some of the details of the programs far better than I would. That offer is still outstanding and we are prepared to meet with him as soon as possible. If he wants to meet right now, we can meet right now.

**MR. DEPUTY SPEAKER:**

Thank you. Item 5, oral questions. Mr. Whitford.

Question 700-12(3): Disposal Of PanArctic Waste

**MR. WHITFORD:**

Thank you, Mr. Speaker. I have a question I would like to direct to the Minister of Renewable Resources, who is responsible for the environment. Mr. Speaker, we have heard a great deal of concern over the PanArctic dumping off of Loughheed Island. There has been a great deal of controversy over the method that is going to be used. Certainly, one of the questions that comes up out of this, and because of the deadline of April 15 for the issuance of the permit, is PanArctic under some deadline to dispose of this material that has been sitting there for the last 20 years? Are they under a deadline to dispose of it this year?

**MR. SPEAKER:**

Mr. Allooloo.

Return To Question 700-12(3): Disposal Of PanArctic Waste

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. No, they are not.

**MR. SPEAKER:**

Supplementary, Mr. Whitford.

Supplementary To Question 700-12(3): Disposal Of PanArctic Waste

**MR. WHITFORD:**

Thank you, Mr. Speaker. Given the fact that PanArctic is not under any kind of environmental pressure to get rid of this material, and I realize that spring is the best time in the Arctic to do the work because of the ice conditions and the daylight, is the Minister aware of any opportunity for this government to convey to PanArctic its suggestion that we hold a moratorium on the dumping for another year until we can get the best information on the disposal of this waste? Can we do that?

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 700-12(3): Disposal Of PanArctic Waste

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Yes, we have communicated options to both the federal

government's Environment Canada and to PanArctic to withhold the permit for one year until proper review of disposal options is undertaken. That is one of the options we put forward.

Another option we put to the federal government is that the federal government would assist PanArctic to clean up the site as they assisted PanArctic in the oil and gas exploration program through the petroleum initiative program at the time when the material was being shipped to Loughheed Island. We would like to see studies conducted on the long-term effects of ocean-dumping in the Arctic and put a moratorium in place until studies have been concluded to show what kind of impact it may have.

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We would also like to reuse as much as possible the scrap metal that is proposed to be dumped into the ocean, for community use and other uses. We suggested that industry and the government post abandonment and restoration bonds to assure appropriate clean up is done after activity has taken place.

We have suggested that the federal Minister of Environment and Fisheries and Oceans publicly state their position on ocean dumping prior to April 15. Mr. Speaker, I would like to add that the motto that has been adopted by my people is that, "If you pack it in, you have to pack it out." Thank you.

---Applause

**MR. SPEAKER:**

Item 5, oral question. Supplementary, Mr. Whitford.

Supplementary To Question 700-12(3): Disposal Of PanArctic Waste

**MR. WHITFORD:**

Thank you, Mr. Speaker. I appreciate the detail of information that the Minister has given. Everything that has been done to date indicates that there is some rush to do this. I have watched the news programs on television and have seen articles in the paper, is there any reason that the Minister can inform this House and, my colleague for High Arctic, as to why PanArctic seems so determined that they must do this, do it this year and within the next few weeks as a matter of fact. Is there some reason we do not know about that they must do it this year?

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 700-12(3): Disposal Of PanArctic Waste

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. When PanArctic applied for an ocean dumping permit from the federal government, both from Environment Canada and Fisheries and Oceans, they were given approval to proceed. Once we found out that they had been given approval, we contacted Environment Canada and Fisheries and Oceans to see if there was any way to reverse the decision. At the time when the federal government said they would allow PanArctic to do ocean-dumping, PanArctic contracted a company to do it for them. PanArctic feels they are obligated to adhere to the contract that they have given out. That is the reason they would like to do it April 15. We will try to stop them proceeding with the ocean dumping. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Zoe.

Question 701-12(3): Delegation Of Authority To Rae-Edzo School Society

**MR. ZOE:**

Thank you, Mr. Speaker. My question was going to be directed to the Minister responsible for Government Services and Public Works, but since he is not here maybe I can ask the Premier. Earlier today, Mr. Speaker, I gave a Member's statement about the problems that the Rae-Edzo school society is having with negotiating funding for maintenance and utilities for the Elizabeth Mackenzie Elementary School in Rae. My question to the Premier is, can the Premier explain to the House how this Minister's refusal to negotiate with the Rae-Edzo school society in this area can be considered to be consistent with the commitment of this government to increase community authority and responsibility?

**MR. SPEAKER:**

Madam Premier.

Return To Question 701-12(3): Delegation Of Authority To Rae-Edzo School Society

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I would like to refer to a letter which was written to the honourable Member, Mr. Henry Zoe, the MLA for North Slave. Mr. Morin has written to the honourable Member stating he was not able at this time to give direction to negotiate with the Rae-Edzo school society for the transfer of operations and maintenance funding for the Elizabeth Mackenzie Elementary School. He refers to a decision of Cabinet which gave direction that such agreements with boards of health and education were not consistent with the GNWT transfer policy and initiative to transfer responsibilities to communities. He also said he recognizes that the 1982 agreement with the Rae-Edzo society is somewhat unique. To extend it to the new school would not be consistent with Cabinet direction. He also stated that while Education had not completed implementation of this direction, he understood that the Minister will be revisiting this with Cabinet.

At the time the Elizabeth Mackenzie school was opened, a contract to carry out O and M was signed with the society. Finance Management Board direction with the transfer of O and M funding would be withheld until the matter was removed or reviewed by Education. Hon. Mr. Richard Nerysoo and Mr. Morin have agreed to meet to review this matter. There has been a commitment made to the honourable Member to try to resolve this situation by April 15.

Mr. Speaker, I believe this is one of the things that has fallen between the cracks. There is a special arrangement and I believe the commitment to resolve this situation has been made by Mr. Morin and Mr. Nerysoo. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Supplementary, Mr. Zoe.

Supplementary To Question 701-12(3): Delegation Of Authority To Rae-Edzo School Society

**MR. ZOE:**

Supplementary, Mr. Speaker. With the response from the Premier, is it my understanding that this issue has already been discussed at the Cabinet level since it is not consistent with Cabinet direction? Has that been resolved so the Minister can now sit down and negotiate by April 15 with the school society?

**MR. SPEAKER:**

Madam Premier.

Further Return To Question 701-12(3): Delegation Of Authority To Rae-Edzo School Society

**HON. NELLIE COURNOYEA:**

Mr. Speaker, at this time an exemption has not been sought mainly because, I believe, Mr. Morin had to depart and do his work in trying to get some

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meetings on the housing issue in Ottawa. However, I know we have been told he would wish to bring this particular issue to Cabinet at the earliest possible convenience, once the Minister of Education has sat down to try to figure out what the avenues are to do that. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Ningark.

Question 702-12(3): Broken Narwhal Tusk On Mace

**MR. NINGARK:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for the honourable Premier. I notice the part of the narwhal tusk which completes the mace is missing. I know government wants to maintain a good example. Mr. Speaker, going as far as cutting off a part of the NWT Legislature mace, I think is going a little beyond the scope of the public's imagination. Does this signify the significant funding cuts that this government has made in the area of some very important community programs in the NWT? This is Friday. Thank you.

**MR. SPEAKER:**

Madam Premier.

Return To Question 702-12(3): Broken Narwhal Tusk On Mace

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I am pleased to say that does not indicate the significance of cuts we are all facing. I would also like to advise the honourable Member that the Minister of Renewable of Resources, myself and each of our offices have a replacement which can be donated to make the mace stronger and extend it so there will not be a cut. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Patterson.

Question 703-12(3): Nuclear Waste Disposal Into Arctic Ocean

**MR. PATTERSON:**

Thank you, Mr. Speaker. To the Minister of Renewable Resources. Mr. Speaker, another very serious concern about ocean dumping emerged last week in the release of a report from a Russian government commission. The report notes that double the amount of radioactivity released in the Chernobyl nuclear disaster has been dumped at sea by the former Soviet Union, including seven damaged nuclear reactors which are on the Arctic Ocean floor, and the ongoing dumping of liquid radioactive waste at sea by the Soviet navy with no shore-based alternative of disposing of that radioactive nuclear waste. Mr. Speaker, my question to the Minister is, firstly is he aware of this very serious issue and its consequences for our Arctic waters?

**MR. SPEAKER:**

Mr. Alloo.oo.

Return To Question 703-12(3): Nuclear Waste Disposal Into Arctic Ocean

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Yes, I am aware of the situation, but I am not aware to the full extent of what the possible impact might be to the Arctic Ocean. This is an international issue at this moment. It is a matter that Environment Canada and External Affairs would have to deal with to consider their approach to it. Also the department and myself will continue to encourage the federal government to seriously look at the situation. Further, it reinforces the need for international review of an investigation of the ocean dumping and contamination.

Mr. Speaker, some time ago the polar regions of this world got together for the first time to look at contaminations which are coming into the polar regions. I believe it was an initiative that our Prime Minister took at the United Nations. As a result, we had the first meeting in Rovaniemi in Finland in 1991, I believe. The next meeting of the international Ministers of Environment will take place this year in Greenland. At this moment, I have not had a date communicated. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Patterson.

Supplementary To Question 703-12(3): Nuclear Waste Disposal Into Arctic Ocean

**MR. PATTERSON:**

Mr. Speaker, thank you. I am pleased that the Minister is going to continue to work on the global issue. What I would like to ask him is, in light of the strong concern of Members of this Legislature about ocean dumping with the PanArctic issue and this Soviet Union nuclear waste issue, will the Minister commit himself to drawing the concerns of the Members of this Legislature on this Soviet Nuclear waste issue to the attention of the appropriate federal authorities on an urgent basis. Thank you.

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 703-12(3): Nuclear Waste Disposal Into Arctic Ocean

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Yes.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Dent.

Question 704-12(3): Expo 1992 Audit

**MR. DENT:**

Thank you, Mr. Speaker. I have a question for the Minister of Economic Development and Tourism. Mr. Speaker, on Wednesday the Minister tabled a copy of the comptroller general's evaluation of the financial performance of Expo '92. He also provided me, yesterday, with some additional correspondence which I tabled before the end of sitting yesterday. Honourable Members will know that I have asked a number of oral questions over the past three sessions of this Assembly dealing with this government's involvement at Expo '92, Seville, Spain. Mr. Speaker, I have enjoyed including light hearted comments about Expo in the preambles to most of my questions, and I am not going to do that today.

On reviewing the tabled documents, I think that most honourable Members will agree that Expo '92 was

definitely no laughing matter. Mr. Speaker, recognizing that the report on the comptroller general's evaluation of the financial operation of the Expo '92 revolving fund comments on several very serious shortcomings, how can the Minister possibly justify the fact that this report was not tabled in the House until the last possible opportunity.

**MR. SPEAKER:**

Mr. Pollard.

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Return To Question 704-12(3): Expo 1992 Audit

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. It was tabled as soon as it was delivered to me. In fact, before it was tabled in this House I had not read it myself. It was delivered as soon as it could be. Mr. Speaker, there is still one more report, yet, another auditor's report that is being done by the Audit Bureau on Expo which is not ready yet. It was delivered as soon as it could be put in the House, Mr. Speaker. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Dent.

Supplementary To Question 704-12(3): Expo 1992 Audit

**MR. DENT:**

Thank you, Mr. Speaker. My supplementary involves the report which the Minister just mentioned, the one done by the Audit Bureau. Could the Minister provide me with a better understanding of what the difference is between the report expected from the Audit Bureau and the present report which we have from the comptroller general will be?

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 704-12(3): Expo 1992 Audit

**HON. JOHN POLLARD:**

Mr. Speaker, the Audit Bureau falls under the Executive. I do not know when it will be ready and what exactly the scope will be. I know that in these kinds of audits, similar to the Auditor General's report,

are delivered to departments and departments are allowed to respond. The difference between the two is that this was an evaluation which the Department of Finance did on the financial operations of Expo '92. It dealt with procedures, policy and regulations, how cash was handled, and what the responsibilities of different people at Expo. It is a technical report on how business was conducted at Expo. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Dent.

Supplementary To Question 704-12(3): Expo 1992 Audit

**MR. DENT:**

Thank you, Mr. Speaker. Supplementary to the same Minister, could the Minister advise us of what involvement, if any, the territorial Audit Bureau had in the preparation of the evaluation which was done by the office of the comptroller general.

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 704-12(3): Expo 1992 Audit

**HON. JOHN POLLARD:**

Mr. Speaker, I am not sure if there is any, there may be some cross referencing and discussions back and forth, but I think they are two totally independent investigations into the exposition in Seville. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Koe.

Question 705-12(3): Development Of Memorandum Of Understanding

**MR. KOE:**

Mahsi, Mr. Speaker. I have a question for the Minister of Health. She is not present, so, I will redirect it to the Premier. Awhile back the standing committee was informed that there was a memorandum of understanding being developed between the Department of Health and hospital and health boards. I subsequently received

correspondence indicating the status of the report. In the letter from the Minister, she stated that there is a call for proposals to find someone to prepare the terms of reference and proceed. I would like to know the status of the proposals. Was someone hired to proceed with development of the memorandum of understanding?

**MR. SPEAKER:**

Madam Premier.

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I will take the question as notice. Thank you.

**MR. SPEAKER:**

The question has been taken as notice. Mr. Antoine.

Question 706-12(3): Economic Development Strategy

**MR. ANTOINE:**

Thank you, Mr. Speaker. I have a question for the Minister of Economic Development and Tourism. Mr. Speaker, after this session is over we will be returning to our communities and dealing with some pressing issues. I have some serious questions, as do other ordinary Members, about the Minister's approach to economic development in the Northwest Territories. Members have raised the fact that the government has an economic development strategy tabled in 1990, which was developed after extensive public consultation of the Standing Committee on Northern Economy, and following further input from the communities. The people of the Northwest Territories told the government, at that time, that the community-based economic development was the hope for our future, and they received a commitment from the government to this approach. I am concerned that the Minister is backing away from the commitment to this strategy with no clear justification and with no alternative to present in its place. What justification can the Minister provide for backing away from the previous government's commitment to a specific long-term economic development strategy for the Northwest Territories only three short years ago? Mahsi.

**MR. SPEAKER:**

Mr. Pollard.



Return To Question 706-12(3): Economic Development Strategy

**HON. JOHN POLLARD:**

Mr. Speaker, I am not backing away from that former strategy. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Antoine.

Supplementary To Question 706-12(3): Economic Development Strategy

**MR. ANTOINE:**

Thank you. Given that the 1990 economic development strategy involved extensive community consultation, what consultation will the Minister undertake to obtain the opinions of the communities now on the 1990 economic development plan, and the need for any new directions by this government. Mahsi.

**MR. SPEAKER:**

Mr. Pollard.

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Further Return To Question 706-12(3): Economic Development Strategy

**HON. JOHN POLLARD:**

Mr. Speaker, it is no secret that we have strengthened the regional offices, the superintendents in the regions have much more flexibility, and much more responsibility. It is the responsibility of the regions, of the EDOs in communities, to talk to communities, and to talk to the local governments, to talk to the local chambers of commerce, to get their views on how the economy in that particular community or region is changing. From that, we get an idea of what is happening in the region from the superintendent. That is then brought into headquarters and we monitor the situation from there. Many of these consultative processes are happening at the regional level, Mr. Speaker. Thank you.

**MR. SPEAKER:**

I would like to take this opportunity to recognize in the gallery, Mr. Gary Bohnet, president of the Metis Nation.

---Applause

Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Speaker. Before I ask my question, I would like to ask the House if we could extend question period.

**MR. SPEAKER:**

Are you seeking unanimous consent? Mr. Zoe.

**MR. ZOE:**

Mr. Speaker, I am seeking unanimous consent to extend question period.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Zoe.

Question 707-12(3): Lack Of Action To Stimulate Economy

**MR. ZOE:**

Thank you, Mr. Speaker. I have a question for the Minister of Economic Development and Tourism. Mr. Speaker, concerns have been expressed in this House that the economic strategy tabled in 1990, being considered by the Minister, seems to be only one of the many guiding documents. This government seems to be taking a first come first serve approach to economic development. It does not appear to be following a cohesive strategy even though there is a solid one available. This makes the direction of the government, with respect to economic development, very unclear. Mr. Speaker, on March 5, 1993, the Minister indicated to this House that the government knows what directions they are taking; they are going ahead. Well, this sounds good, however, the Minister also mentioned that things change every week and with no commitment to a clear economic strategy, I question how the communities are to know where they fit in with the government's plan. My question to the Minister is, can the Minister explain to the House what steps communities in the Northwest Territories should take to determine how they fit in with the Minister's plans for economic development?

**MR. SPEAKER:**

Mr. Pollard.

Return To Question 707-12(3): Lack Of Action To Stimulate Economy

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, the changes that occur in the plan are occurring as a result of communications from those communities. Just yesterday, Baker Lake indicated that they wanted to talk to us about a caribou harvest in their area and how could it fit into the regional plan that would eventually see those animals ending up in Rankin Inlet to be processed. That was something we had not anticipated. Baker Lake had not shown that interest before. Just last month, Mr. Antoine approached me, and surprised me, by saying that his region had now agreed to a 17 kilometre gas pipeline down in the southwest corner of the Northwest Territories and they wanted to build it and own part of that pipeline. That came out of the blue. For Resolution expressed an interest in going back to logging under some new conditions. That was not to be anticipated by us, Mr. Speaker. So the changes I mentioned that are being put forward, changes what we might be doing in a particular region, are usually community driven. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Zoe.

Supplementary To Question 707-12(3): Lack Of Action To Stimulate Economy

**MR. ZOE:**

Thank you, Mr. Speaker. The economic strategy tabled in 1990 was preceded by the extensive public hearing process of the Special Committee on Northern Economy. The report contained 30 recommendations for building the northern economy. The majority, Mr. Speaker, of which focused on the developmental requirements of the underdeveloped communities. Can the Minister advise the House as to where the SCONE report fits within the government's economic development planning process?

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 707-12(3): Lack Of Action To Stimulate Economy

**HON. JOHN POLLARD:**

Mr. Speaker, I mentioned earlier in this session that the strategy that was tabled is only one of the documents that we use in charting the economic path in the Northwest Territories and one of those other documents is the SCONE report, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Zoe.

Supplementary To Question 707-12(3): Lack Of Action To Stimulate Economy

**MR. ZOE:**

One thing that causes me concern, Mr. Speaker, is the situation at the Department of Economic Development is sounding too familiar. Members have considered extensively in this House the difficulties encountered by, particularly, the Department of Health due to its lack of strategic planning. What action is the Minister prepared to take to ensure that the Department of Economic Development and Tourism and the economic viability of the Northwest Territories does not end up floundering because of a lack of a strategic plan?

**MR. SPEAKER:**

Mr. Pollard.

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Further Return To Question 707-12(3): Lack Of Action To Stimulate Economy

**HON. JOHN POLLARD:**

Mr. Speaker, comparing the Department of Economic Development with the Department of Health is folly. For instance, you know that in health care there are going to be sick people and they are going to have to go to a hospital wherever they are in the Northwest Territories. You know the kinds of diseases that are going to occur. Mr. Speaker, in the Department of Economic Development and Tourism, first of all, when you look at the Northwest Territories there are different strengths across the Northwest Territories. I think it is important that we build on those strengths, whether they be people strengths or whether they be resources strengths. So, having one set plan for all of the Northwest Territories would not work.

Mr. Speaker, I have said before, we have gone more regional in Economic Development and Tourism. We have given those superintendents increased responsibilities and we are encouraging those superintendents and EDOs to communicate with the communities to find out exactly what those communities and regions do. When we get that together then we get a regional picture. Mr. Speaker, it changes from region to region. There are different requirements, there are different strengths, there are different levels of education and there are different levels of funding available in the private sector across the Northwest Territories. So, having one set plan is not the way to go. The way to go is to allow communities to tell us what they would like to do and then allow them to go along at their own pace. We are taking a bottom to top approach with economic development and not directing people as to what they should be doing, but listening to what they want to do. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Dent.

Question 708-12(3): Minister's Statement On Student Financial Assistance

**MR. DENT:**

Thank you, Mr. Speaker. Mr. Speaker, just prior to the opening of this session the Minister responsible for Education, Culture and Employment Programs mentioned to me that he was probably going to make a statement on changes to the student financial assistance program. Mr. Speaker, can the Minister advise us why he chose not to make that statement?

**MR. SPEAKER:**

Mr. Nerysoo.

Return To Question 708-12(3): Minister's Statement On Student Financial Assistance

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. First, most Members know that the time limit for Ministers' statements is 20 minutes, and I asked for unanimous consent to conclude my remarks but the time had run out. I was going to seek unanimous consent to return to Ministers' statements with the House's consent, but I was going to do that after question period was over.

**MR. SPEAKER:**

Supplementary, Mr. Dent.

Supplementary To Question 708-12(3): Minister's Statement On Student Financial Assistance

**MR. DENT:**

For clarity, can I be certain that the Minister is proposing to seek unanimous consent to return to Ministers' statements and make this statement? I believe that if today is the last day, it is important that we deal with the issues that I believe may be in this statement.

**MR. SPEAKER:**

Mr. Nerysoo.

Further Return To Question 708-12(3): Minister's Statement On Student Financial Assistance

**HON. RICHARD NERYSOO:**

Yes, Mr. Speaker, I was and I am going to move the document into committee of the whole for discussion.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Arngna'naaq.

Question 709-12(3): Professional Programs For Aboriginal People

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. I have been raising my hand now for about 15 minutes. I ask that you look a little bit further than the polar bear.

---Laughter

Mr. Speaker, I have a question for the Minister of Education, Culture and Employment Programs. I was very glad to see the statement which the Minister made today with regard to the community teacher education program. I am also very happy to see that there will be 100 new aboriginal employees hired. I am always afraid that in our school system our standards will either diminish or not improve in some way due to some changes that are taking place in our education system. I would like to ask the Minister what is being done to ensure that our standard of education is being maintained or not being diminished. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Nerysoo.

Return To Question 709-12(3): Professional Programs For Aboriginal People

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. Before I get into the substance of the question, I have great confidence in aboriginal people to be teachers. In fact, Mr. Speaker, I think we will find the future holds great promise for aboriginal students in the communities, particularly in terms of language and the cultural relevancy of our educational programming. To date, that has not been necessarily a strong point in our educational system. I think it is improving, and that we have great promise. Our students, generally, in the future will be better students. There is no question, Mr. Speaker, that I share the same concern of the honourable Member. As a result of our commitment to training aboriginal people as educators, having them involved, we will improve the quality of education for our students. The standards are set because we have core programming. More than that, we are now going to see improvement in the way we deliver those core programs in the language relevant to the students in those communities. We will find much better students. An

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example of a successful community education program is Arviat, where students have stayed in their communities. We have more graduates now than when they were attending school in Yellowknife.

**MR. SPEAKER:**

Supplementary, Mr. Arngna'naaq.

Supplementary To Question 709-12(3): Professional Programs For Aboriginal People

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. In the Minister's statement of today he indicated that some courses may also be delivered through distance education. I would like to know where these students would be taking this program from.

**MR. SPEAKER:**

Mr. Nerysoo.

Further Return To Question 709-12(3): Professional Programs For Aboriginal People

**HON. RICHARD NERYSOO:**

Mr. Speaker, just so there is no confusion about the existing programs, we are continuing with the existing programs, the one in the Keewatin, the one in Thebacha and the one which is in Iqaluit. Those programs continue to exist. What we are now doing is expanding the program to include the four most in need of aboriginal teachers, particularly participants. It is our intention to utilize the telephone system, in terms of delivering some of the programs, and use TVNC if that is available to us. We will use whatever medium we have available to us.

**MR. SPEAKER:**

Supplementary, Mr. Arngna'naaq.

Supplementary To Question 709-12(3): Professional Programs For Aboriginal People

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. My first supplementary had more to do with how and where the program was created. Was there a base from which the program was created, a university down south, for example? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Nerysoo.

Further Return To Question 709-12(3): Professional Programs For Aboriginal People

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. The programs which are being delivered in our communities are the teacher education programs, based in Fort Smith and Iqaluit. The one in the Nunavut area is tied to McGill University. The one in the western Arctic is tied to the University of Saskatchewan.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Whitford. Do you want another supplementary, Mr. Arngna'naaq. Supplementary, Mr. Arngna'naaq.

Supplementary To Question 709-12(3): Professional Programs For Aboriginal People

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. My last supplementary will be to do with the statement the Minister made today. The Minister indicated that the studies and work will go toward a bachelor of education degree at McGill University in the east, and at the University of Saskatchewan in the west. What incentive is there for these students to take these programs. Are there any incentives for the aboriginal students to take these programs?

**MR. SPEAKER:**

Mr. Nerysoo.

Further Return To Question 709-12(3): Professional Programs For Aboriginal People

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. I would hope so. The greatest numbers of employable individuals in the Northwest Territories are teachers, those who are in the educational field. There are two areas that we have very significant numbers that work in the communities. We have over 1,100 teachers in the Northwest Territories. This is a very significant number. The other issue is in the nursing profession, we have large numbers of individuals in our communities. Those are two areas which we are trying to focus on at this particular juncture, along with others, of course, such as business administration, and hopefully science.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Whitford.

Question 710-12(3): Royal Oak Mine Occupational Health And Safety Committee

**MR. WHITFORD:**

Thank you, Mr. Speaker. Subsequent to my concerns expressed earlier this morning about the perceived number of accidents in the mine in Yellowknife, I have a question for the Minister of Safety. Mr. Speaker, the Mining Safety Act, the existing one states quite clearly that a committee called the mine occupational health and safety committee shall be established in any mine where there are more than 25 employees. I would like to ask the Minister whether the existing mine, Giant Yellowknife Mine, has a mine occupational health and safety committee?

**MR. SPEAKER:**

Mr. Todd.

Return To Question 710-12(3): Royal Oak Mine Occupational Health And Safety Committee

**HON. JOHN TODD:**

Thank you, Mr. Speaker. If the act states that they shall have a mine occupational health and safety committee, I would have to, there is a danger in using the word "assume" as I have said before, I would have to assume they do have one. I cannot tell you this morning unequivocally that they have a committee. I would imagine that they do. I will check into it and get back to the honourable Member. I do not have any personal knowledge that they do not have one.

**MR. SPEAKER:**

Supplementary, Mr. Whitford.

Supplementary To Question 710-12(3): Royal Oak Mine Occupational Health And Safety Committee

**MR. WHITFORD:**

Thank you, Mr. Speaker. I am quite concerned over the perception of accidents which are occurring. For a mine of that size, it says, "shall have", and that is pretty straightforward. It says, "Any mine over 25 employees

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shall have a committee." I would like to ask whether or not a mine can continue to operate in accordance with the Mining Safety Act, if, in fact, they do not have a committee. Can that mine continue to operate without this particular committee, legally?

**MR. SPEAKER:**

You are asking a legal opinion of the Minister. Would the Minister like to shed some light on the area? Mr. Todd.

Further Return To Question 710-12(3): Royal Oak Mine Occupational Health And Safety Committee

**HON. JOHN TODD:**

I will start out by saying I share the honourable Member's concerns with respect to mine safety and hence the reason why we are trying to move forward

with a new Mining Safety Act that is more current and more up-to-date with the present conditions that we operate within. If, as the honourable Member says it states in the Mining Safety Act that there, "shall be a mine committee for occupational health and safety," then if a particular mine was in violation of that we would take the appropriate steps to ensure that it was corrected. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Lewis.

Question 711-12(3): Student Financial Assistance

**MR. LEWIS:**

Thank you, Mr. Speaker. I have a question for the Minister of Education with regard to changes in the student financial assistance program. The changes announced by the Minister today indicate that because of the large number of students that have to be provided with financial assistance...

**MR. SPEAKER:**

Excuse me, Mr. Lewis. To the chair's knowledge there was not an announcement made by the Minister today. Item 5, oral questions. Mr. Dent.

Question 712-12(3): Financial Controls At Expo 1992

**MR. DENT:**

Thank you, Mr. Speaker. I have a question for the Minister of Economic Development and Tourism regarding Expo '92. Mr. Speaker, I am concerned about the findings of the Comptroller General in his evaluation of this government's performance in the mandate of Expo 1992 funds. For instance, the Comptroller General found that internal controls were found to be so ineffective that it is now not possible to determine whether all public monies were properly collected. What process was used for setting up and reviewing the system for internal financial control of the Aurorales venture prior to the start up of the project in Seville?

**MR. SPEAKER:**

Mr. Pollard.

Return To Question 712-12(3): Financial Controls At Expo 1992

**HON. JOHN POLLARD:**

Mr. Speaker, prior to going over there, there were discussions back and forth with the Expo people with regard to what they would provide to us in the way of accounting services. I say that, Mr. Speaker, because there was a requirement for them to install some kind of electronic cash register whereby they could monitor the sales. It started from there, and of course there was a requirement to try and obey to the best of their ability all the rules and regulations associated with the Financial Administration Act. There were also other things such as how to get inventory out of the bonded warehouse. All those things were taken into consideration and I think there were some decisions made on site. Because there was not as much office space as we would have liked, there were not as many staff as the people over there would have liked to comply to all the rules and regulations, and I think some of the things were developed on site and in consultation with the Department of Economic Development and Tourism's director of finance, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Dent.

Supplementary To Question 712-12(3): Financial Controls At Expo 1992

**MR. DENT:**

Supplementary, Mr. Speaker, to the same Minister. Mr. Speaker, the Comptroller General's report indicates that monthly financial statements were produced by the Aurorales finance manager on site at Expo. It also indicates that certain Aurorales based transactions were processed in Yellowknife. Information about the transactions in Yellowknife were never sent to the Aurorales finance manager. They are, therefore, not included in the on-site accounting system and as a result the records of financial information are now incomplete. Can the Minister indicate why this information was not transmitted from Yellowknife to the on-site financial management group?

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 712-12(3): Financial Controls At Expo 1992

**HON. JOHN POLLARD:**

Mr. Speaker, I do not know why in each situation. I do know we were dealing in some considerable distance. We were dealing with a time difference and it was very expensive to communicate back and forth. I cut back on the number of people who were travelling back and forth. I asked people to be cognizant of how much it cost to make a telephone call from Seville or from Yellowknife to Seville. There might have been other reasons, Mr. Speaker, I do not know. It might have been that the department felt that Seville was a satellite of them and there was no need to transmit information. I would have to go back to the department and request specific information in that regard. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Dent.

Supplementary To Question 712-12(3): Financial Controls At Expo 1992

**MR. DENT:**

Supplementary, Mr. Speaker. This sounds almost like the situation where penny pinching may have cost us more money in the long run because we did not have adequate financial information. Mr. Speaker, recognizing that the Minister has on several previous occasions indicated he would take personal responsibility to ensure that the project was well managed, can he now indicate whether he was personally provided with the monthly financial statements from which the Yellowknife transactions were excluded?

**MR. SPEAKER:**

Mr. Pollard.

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Further Return To Question 712-12(3): Financial Controls At Expo 1992

**HON. JOHN POLLARD:**

No, Mr. Speaker. I received a sales report almost one day late. I certainly did not have any expenditure, any payroll information, from either Seville or the department. When I saw anything it was usually in the form of a complete statement. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Ningark.

Question 713-12(3): Policy On Disposal Of Scrap Metals

**MR. NINGARK:**

Thank you, Mr. Speaker. My question is directed to my honourable friend, Minister for the environment, who is also Minister of MACA. Mr. Speaker, there are accumulated scrap metals in most communities in the NWT. Most of the metals are corrosive, damaging to the environment, and metal tends to spread around the environment either by the animals, by people or by natural elements, such as wind. Mr. Speaker, we can be innovative in this area. Perhaps, metal could be sold to southern scrap metal dealers to be recycled. What is the Minister's policy in disposing of the scrap metals in the NWT? Thank you.

**MR. SPEAKER:**

Mr. Alloo.

Return To Question 713-12(3): Policy On Disposal Of Scrap Metals

**HON. TITUS ALLOO:**

Thank you, Mr. Speaker. Members are aware that there are landfill sites or garbage dumps throughout the communities in the NWT that the municipalities use to deal with waste metal. Also, my department has been utilizing the green plan to deal with waste metal out on the land that has been left by exploration companies and also mining companies which are no longer in business. Mr. Speaker, I know in some cases the HTAs were able to get green plan money to help them clean up the land outside the municipalities. Mr. Speaker, to the best of our ability we try to use landfill sites in each community which the municipalities approve for disposal of scrap metal. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Ningark.

Supplementary To Question 713-12(3): Policy On Disposal Of Scrap Metals

**MR. NINGARK:**

Thank you, Mr. Speaker. Smaller pieces of metal can be disposed of in community dumps. They can be buried with whatever material such as gravel and

whatever material is available in the communities. I am talking about a large mass such as a car, truck and other vehicles, Mr. Speaker. I wonder if the Minister could tell the House what means is used to get rid of the big massive metal scrap we have? Thank you.

**MR. SPEAKER:**

Mr. Allooloo.

Further Return To Question 713-12(3): Policy On Disposal Of Scrap Metals

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. The waste management throughout the communities is a big concern to us. We did not have that kind of large scale waste until very recently. As you know, Mr. Speaker, most of the communities in the Northwest Territories are fairly new and they are to the point where the waste is a concern. We are trying to make a management plan to deal with waste in the communities. We are on formative straits at the present time, coming up with a management plan, hopefully working with the community councils and HTAs we will be able to have a plan in place to deal with that sort of thing so big metal waste such as old cars, loaders et cetera could be dealt with through the management plan which has input from the community and also from our department. Thank you.,

**MR. SPEAKER:**

Item 5, oral questions. Mr. Zoe.

Question 714-12(3): Legal Authority Of Rae-Edzo School Society

**MR. ZOE:**

Thank you, Mr. Speaker. My question will be to the Minister of Education. The chairman of the Dogrib divisional board of education has written a letter to the Premier with copies to the Honourable Member responsible for the Department of Education and also the Honourable Member responsible for the Department of Government Services and Public Works with regard to the issue which I raised earlier today. Mr. Speaker, in that particular letter the Rae-Edzo school society has expressed their position that they clearly have the authority for the operation and maintenance of Rae area schools under previous agreements with the government. Can I ask the Minister whether he has reviewed the contents of

these agreements between the government and the Rae-Edzo school society?

**MR. SPEAKER:**

Mr. Nerysoo.

Return To Question 714-12(3): Legal Authority Of Rae-Edzo School Society

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. No, I have not reviewed all of the agreements that are in existence.

**MR. SPEAKER:**

Supplementary, Mr. Zoe.

Supplementary To Question 714-12(3): Legal Authority Of Rae-Edzo School Society

**MR. ZOE:**

Thank you, Mr. Speaker. Because this is of great importance to me, could I request the Minister review the contents of these agreements between our government and the Rae-Edzo school society with his other colleague, the Minister of Government Services and Public Works?

**MR. SPEAKER:**

Mr. Nerysoo.

Further Return To Question 714-12(3): Legal Authority Of Rae-Edzo School Society

**HON. RICHARD NERYSOO:**

Yes, we will get our officials together to deal with that.

**MR. SPEAKER:**

Item 5, oral questions.

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Question 715-12(3): Government's Commitment To Economic Strategy

**MR. WHITFORD:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to ask a question to the Minister responsible for Economic Development and Tourism. The Minister is aware that the ordinary Members have had, over the



past few months, many questions about the direction this government plans to take for economic development. We said it before that the Northwest Territories' government has an economic development strategy developed through community consultation. However, the government appears no longer committed to this strategy. It appears that way. Since the focus of this strategy is on community development, I wonder whether it is this focus that is causing the government some uncertainty about its direction. I would like to ask the Minister, can he advise whether it is his intention to shift the focus for economic development from the community level to concentrate on large government-driven mega projects?

**MR. SPEAKER:**

Mr. Pollard.

Return To Question 715-12(3): Government's Commitment To Economic Strategy

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, I think I see the confusion now and maybe I will try and explain it. I have all the books here, the arts and crafts book, Building on Strengths - A Community Based Approach and those are still going ahead, Mr. Speaker. Any of the mega projects that you have heard mentioned, and I think the first one that came up was the diamond mines and the road, are not being dealt with by Economic Development and Tourism, other than the fact, we have a person who is looking at the impact on the Kitikmeot to make sure we know what the impact is going to be. The numbers with regard to that venture were processed by the Department of Finance. When we look at the Hondo Oil and Gas issue, Mr. Speaker, that is being dealt with by Energy, Mines and Petroleum Resources. The Department of Economic Development and Tourism, to my knowledge, is not involved in any of those mega projects, as you might say, they are still concentrating on delivering to communities the programs that we have in place and reacting to projects that communities bring forward to them. We are not changing the focus one iota, Mr. Speaker. We are continuing as we were before and many of those mega projects are being dealt with by other departments. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Whitford.

Supplementary To Question 715-12(3):  
Government's Commitment To Economic Strategy

**MR. WHITFORD:**

Thank you, Mr. Speaker. I appreciate the response that the Minister has given, it does give us an indication that many of these projects are being considered by government in some fashion. I am curious as to whether or not there is a long-term strategy to deal with these mega projects and how they will impact the people across the territories and impact on our government. It does impact on our government through revenue generation opportunities. I am still not quite clear whether the government has a long-term strategy related to these particular mega projects that the Minister has spoken about.

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 715-12(3): Government's Commitment To Economic Strategy

**HON. JOHN POLLARD:**

Mr. Speaker, the problem with these large-scale projects is that they are not within our control. Because we do not have sovereignty and because we are not a province, most of the time the federal government is involved in some way in these kinds of projects. As I have said to the House before, it is not always our decision on what will happen, how it will happen and who will be involved. I must say, if you want to know what our strategy is, accepting those kinds of rules, our strategy is to be there, to participate, to recognize what the impact on the people of the Northwest Territories and the Northwest Territories is going to be and to be there to represent those people and those companies to make sure some of the benefits from those large-scale projects do remain in the Northwest Territories with its people and its companies. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Whitford.

Supplementary To Question 715-12(3):  
Government's Commitment To Economic Strategy

**MR. WHITFORD:**

Thank you, Mr. Speaker. There is probably two points of view on some of these projects. Mr. Speaker, in the last few days this House has been hearing constant criticism about government's involvement in mega projects. Some people feel they should let the economic course of business take its own course, rather than have government involvement. Is it the government's role to be involved in this projects? I realize it may contradict some things I have asked, Mr. Speaker, but for clarification, is it this government's role to be involved in some of these projects for the betterment of the territories or to make sure that there is clear direction as to how people can operate in the territories.

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 715-12(3): Government's Commitment To Economic Strategy

**HON. JOHN POLLARD:**

Mr. Speaker, it is certainly our job to be there. If something was going on and we were not there, then the very next time this House met, people would be on their feet saying "Well, what were you doing for the people of the Northwest Territories?" Our role is to be there. Should we be involved? Mr. Speaker, governments were involved in putting the rail line across Canada. Governments, whether it is provincial or federal, build roads and infrastructure. That is the normal course of events for the development of a particular area. I think that when we are talking about being involved in the Northwest Territories, Mr. Speaker, whether we are talking about road, hydro, power lines, wharfs, docks or airstrips, those things normally remain within the public domain which is the government, Mr. Speaker. So, I think there is an involvement for government. If we do not keep pace with it, if we do not try and stay with it, then all of a sudden there is a boom in a particular area of the Northwest Territories and then someone says "The runway is not long enough," and by the time we study a runway and figure out how much we are going to put in for lighting and whether or not the runway needs to

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be paved in a particular area, we are going to be behind the eight ball, Mr. Speaker. If you get a community that grows in population over a year by double, then there is not enough housing, the sewer

system will not handle it, the dump will not handle it and those kinds of things. Although they are at the hamlet or community level, they are still a governmental responsibility. There is still a role for government. We have to plan, we have to stay ahead, we have to be cognizant of and we have to be prepared to react very quickly to those kinds of things that may be influenced by the private sector. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Koe.

Question 716-12(3): Eastern Arctic Bulk Fuel Contract

**MR. KOE:**

Mahsi, Mr. Speaker. I have a question for the Premier who made a statement on behalf of the Minister of Government Services and Public Works regarding the eastern Arctic bulk fuel contract. The statement says the department has changed its procedure for eastern Arctic re-supply and entered into a three year contract with the supplier. However, the statement fails to name the supplier. I would like to ask the Premier, who has the contract to supply fuels and what route are they using?

**MR. SPEAKER:**

Two questions, Mr. Koe. Madam Premier.

Return To Question 716-12(3): Eastern Arctic Bulk Fuel Contract

**HON. NELLIE COURNOYEA:**

Mr. Speaker, the product will be Esso's product. The shipping will be organized by the Canadian Coast Guard in collaboration with the Government of the Northwest Territories. The saving is mainly on the routing where previously the products were taken to Churchill, stored there and then re-shipped, they now come directly from Montreal to the communities.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Patterson.

Question 717-12(3): Meeting With Federal Minister Of Housing

**MR. PATTERSON:**

Thank you, Mr. Speaker. To the Premier. Mr. Speaker, we understand that the Minister of Housing is out of the Assembly seeking an urgent meeting with his federal counterpart about housing allocations for the Northwest Territories in the coming year. Could I ask the Premier whether she could tell us if the Minister of Housing has been successful in meeting with his federal counterpart, Mr. McKay?

**MR. SPEAKER:**

Madam Premier.

**HON. NELLIE COURNOYEA:**

Thank you, Mr. Speaker. I thought the honourable Member over there was having a bit of a snooze so I am surprised by the sound of his voice.

---Laughter

No, he was sleeping.

---Laughter

**MR. SPEAKER:**

I caution Members. After 500 years of parliamentary traditions, Members have not normally pointed out other Members who have been sleeping. Point of privilege, Mr. Patterson.

**MR. PATTERSON:**

Mr. Speaker, I respectfully suggest to the honourable Premier that she may have been mistaken. I was in a state of deep concentration. Thank you.

---Laughter

**MR. SPEAKER:**

That was not a point of privilege, but I am sure the Premier will take it under due consideration. Madam Premier.

Return To Question 717-12(3): Meeting With Federal Minister Of Housing

**HON. NELLIE COURNOYEA:**

Mr. Speaker, my apologies. I should have known better. Yes, Mr. Morin was able to secure a meeting with the Honourable Elmer McKay. From reports, the comment he made was that he was hopefully optimistic. He is still trying to see a number of other

people and should be on his way back today. Thank you.

**MR. SPEAKER:**

Item 5, oral questions. Mrs. Marie-Jewell.

Question 718-12(3): Options For Increasing Revenue

**MRS. MARIE-JEWELL:**

Mr. Speaker, I have a question for the Minister of Finance. We are all aware that the Minister of Finance is going to attempt to address his payroll tax today in the House. I would like to ask the Minister of Finance, has he developed any other options to raising revenue besides the payroll tax? Thank you.

**MR. SPEAKER:**

Mr. Pollard.

Return To Question 718-12(3): Options For Increasing Revenue

**HON. JOHN POLLARD:**

Mr. Speaker, to raise funds of that particular nature in some form or another would require the consent of this House. I do not have any flexibility or very little outside of the powers that this House gives me by way of legislation to raise taxes or funds in the Northwest Territories. I do not have any secret plans to raise money from other sources. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mrs. Marie-Jewell.

Supplementary To Question 718-12(3): Options For Increasing Revenue

**MRS. MARIE-JEWELL:**

Thank you, Mr. Speaker. With regard to process of the payroll tax, I would like to ask the Minister of Finance why has he waited so long before introducing the payroll tax into the House where he would have to request for the rules to be waived? Thank you.

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 718-12(3): Options For Increasing Revenue

**HON. JOHN POLLARD:**

Mr. Speaker, if Members will recall, the Standing Committee on Finance asked us to go back out and do a consultation. At that particular time, the conference in Providence was planned for approximately the same dates that it is right now, except that we would return here after the conference to conclude the Income Tax Act and the Payroll Tax Act, and any other business that might have been left over after we went to Providence. Mr. Speaker, the dates changed for Providence, slightly. There seems to be agreement not to come back after Providence, and that has caused me to not have as much time to consult and also procedurally, I am running out of time to bring forward the bills in the House. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Patterson.

Question 719-12(3): Viability Of Churchill Railhead

**MR. PATTERSON:**

Thank you, Mr. Speaker. I have a question for the Minister of Transportation. I noted with great interest the announcement today about a new method of delivering bulk fuel for eastern Arctic re-supply which will save money. I would like to ask a question to the Minister of Transportation because I understand, previously, petroleum products for the Keewatin region were delivered by rail to Churchill. Now that this significant cargo will not longer be delivered by rail, has the possible impact on the viability of the Churchill rail line been assessed by the government in making these new arrangements? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Return To Question 719-12(3): Viability Of Churchill Railhead

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Perhaps, I can elaborate a little more. What we are currently doing in the Department of Transportation is looking at alternate routes out of Churchill into the Keewatin communities. There is some fear out there that the CN railhead

requires somewhere around \$60 million to \$80 million to upgrade. There has been a decline in that traffic over the past five or ten years and I have instructed the department, in consultation with the regional groups, to work towards looking at possible alternatives should the railhead in Churchill not be upgraded and, in fact, be closed down. The specific issue of what the economic impact on the railhead is has been looked at. CN rail is not a viable entity. It is a subsidized entity into Churchill, it has been for a number of years. The difference between moving the fuel from Edmonton to Winnipeg to Churchill to Rankin to Whale Cove et cetera, versus a direct route from Montreal is significant with regard to savings for this government. We intend to pursue that more aggressively. I think the financial impact on the railhead really is not an issue because it is not viable now. It requires significant subsidies. I have spoken to my provincial counterparts in Manitoba and they seem to be unwilling to foot the kind of dollars that are required to bring that railhead up to standard.

**MR. SPEAKER:**

Supplementary, Mr. Patterson.

Supplementary To Question 719-12(3): Viability Of Churchill Railhead

**MR. PATTERSON:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister something further on that. Is it possible that the cost of other freight for the Keewatin hauled by the railroad, including the goods required by the Government of the Northwest Territories, may increase as a result of the reduced petroleum products cargo? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 719-12(3): Viability Of Churchill Railhead

**HON. JOHN TODD:**

No, not to my knowledge, Mr. Speaker, the freight costs to the Keewatin communities have not increased. I would like to emphasize that there is a working committee in place now which includes the major transportation company, that is NTCL, looking at alternatives to sea-lift transportation of the POL products and the dry cargo that the honourable Member is alluding to. My understanding is that there

will be no significant increase in the cost of dry cargo this summer out of Churchill.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Lewis.

Question 720-12(3): Payroll Tax In Other Jurisdictions

**MR. LEWIS:**

Thank you, Mr. Speaker. I would like to ask the Minister of Finance whether the payroll tax, which we will be dealing with today, is in fact a payroll tax in the way that is used in jurisdictions across this country?

**MR. SPEAKER:**

Mr. Pollard.

Return To Question 720-12(3): Payroll Tax In Other Jurisdictions

**HON. JOHN POLLARD:**

Mr. Speaker, as I said in the House yesterday, this payroll tax is a tax on employees. The other provinces that are participating, Manitoba and Ontario, in payroll taxes are taxing the employers on payroll. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Supplementary, Mr. Lewis.

Supplementary To Question 720-12(3): Payroll Tax In Other Jurisdictions

**MR. LEWIS:**

Since employers are responsible for payrolls and therefore responsible for payroll tax, I would like to ask the Minister why he simply does not call this tax "an employee tax" because that is what it is.

**MR. SPEAKER:**

Mr. Pollard.

Further Return To Question 720-12(3): Payroll Tax In Other Jurisdictions

**HON. JOHN POLLARD:**

Mr. Speaker, I called it a payroll tax because it was a tax on payroll. Perhaps Mr. Lewis is right, it could have had another name. Thank you.

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**MR. SPEAKER:**

Item 5, oral questions. Mr. Arngna'naaq.

Question 721-12(3): Keewatin Region Transportation Committee

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. I would like to add a question to the questions that Mr. Patterson was asking with regard to the transportation of cargo into the Keewatin region. The Minister indicated there was a committee looking into the transportation of dry cargo and it included the members of NTCL. Who else is on the committee?

**MR. SPEAKER:**

Mr. Todd.

Return To Question 721-12(3): Keewatin Region Transportation Committee

**HON. JOHN TODD:**

Thank you, Mr. Speaker. The committee came out of an initial meeting we had in Rankin Inlet, I believe in November or December. I should have said we are in throws of putting this working committee together right now. It is my hope that invitations have gone out to the Keewatin Inuit Association, Keewatin regional council, Keewatin chamber of commerce and the municipalities. This would be a working committee that would represent the region because we need to ensure there is regional input. It would assist us in looking at the alternatives that should, and I stress "should", the railhead not continue to operate over the next four or five years. I am optimistic that the working committee will have at least one representative from each community, and as we progress with this, we would also involve Mr. Arngna'naaq and Mr. Arvaluk.

**MR. SPEAKER:**

Supplementary, Mr. Arngna'naaq.

Supplementary To Question 721-12(3): Keewatin Region Transportation Committee

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. I would like to ask further, when does the Minister expect to have this committee either meet or get together for the first time? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 721-12(3): Keewatin Region Transportation Committee

**HON. JOHN TODD:**

Thank you, Mr. Speaker. The department did some clinical analysis looking at options when I became the Minister. I said to them, as I constantly say to them, we need to ensure that it is the politics of inclusion, not exclusion, and we need community and regional input into this very important transportation initiative. We had the meeting in the latter part of last year and I am confident, once I get the responses back from the communities, we will be able to meet as the project and the analysis that is being done moves forward. I want to ensure that I come back to the committee and back to the region and say "Is this the kind of thing that you want to do?" There would be an ongoing relationship between the working committee and the department as it progresses with its analysis of the options that this government must look at. The primary focus of this, of course, is to ensure and safeguard key transportation links with respect to marine shipping and to ensure that we are getting a good bang for our buck.

At the current time, I want to tell the honourable Member, it is being demonstrated to me that the costs out of Montreal are significantly less than the current costs we are paying. This is the early analysis, but that is where we currently stand. I want to assure the honourable Member that the region will be intimately involved in this entire exercise.

**MR. SPEAKER:**

Supplementary, Mr. Arngna'naaq.

Supplementary To Question 721-12(3): Keewatin Region Transportation Committee

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Speaker. My supplementary was with regard to when the first meeting would take place of

this committee. I would like to ask that again, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 721-12(3): Keewatin Region Transportation Committee

**HON. JOHN TODD:**

I did introduce the issue again at the Keewatin chamber of commerce annual general meeting last week. There were representatives from every Keewatin community there. Once I have received everyone's delegate, then I would call a meeting as quickly as possible to ensure that we are heading in the right direction. There are, in the initial review that has been done, four or five options which we are looking at and we clearly need to ensure that the region and, particularly, the industry, NTCL, are intimately involved in this exercise. I will assure the honourable Member that once I have received everyone's representative to sit on this committee, I will call our meeting as quickly as possible. Thank you.

**MR. SPEAKER:**

Supplementary, Mr. Arngna'naaq.

Supplementary To Question 721-12(3): Keewatin Region Transportation Committee

**MR. ARNGNA'NAAQ:**

One final question, Mr. Speaker. I would like to ask the Minister if my myself and any other MLA who may be affected by this committee, would be able to receive the mandate of this committee? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 721-12(3): Keewatin Region Transportation Committee

**HON. JOHN TODD:**

If I heard the question correctly, the Member wants to know the mandate of the committee? The mandate of the committee is to look for responsible, ultimate routes to transport freight and POL products into the

Keewatin that meet the interests of the Keewatin people and the fiscal interests of this government.

**MR. SPEAKER:**

Item 5, oral questions. Mr. Ningark.

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Question 722-12(3): Consultation With Kitikmeot Re Environmental Issues

**MR. NINGARK:**

Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister for the environment. The environment is getting to be more and more of a concern for the people of the NWT. I am sure the communities I represent have some serious concerns over this issue. Those are the communities of Pelly Bay, Taloyoak and Gjoa Haven. Would the Minister consult with my communities to hear their concerns, either by way of letter or send his officials over to hear their concerns on this serious matter? Thank you.

**MR. SPEAKER:**

Mr. Allooloo.

Return To Question 722-12(3): Consultation With Kitikmeot Re Environmental Issues

**HON. TITUS ALLOOLOO:**

Yes.

**MR. SPEAKER:**

Item 5, oral questions. Item 6, written questions. We will take a short break.

---SHORT RECESS

**MR. DEPUTY SPEAKER:**

This House will come back to order. Item 8, replies to opening address. Member for Thebacha. I apologize, we are on Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

Return To Written Question 35-12(3): Contract For Revamping Of Public Health System

**CLERK OF THE HOUSE (Mr. Hamilton):**

Mr. Speaker, this is a return to Written Question 35-12(3), asked by Mr. Koe to the Minister of Health, on the contract for revamping of public health system.

1. Who was the contract let to?

A contract is being finalized with Wilson and Associates of Edmonton, Alberta, for background research, consultation on a broad approach to public health, and development of a legislative proposal for a new Public Health Act.

2. What procedures were used to let this contract?

3. Was contract tendered, sole source or was call for proposals made?

A request for proposals (RFP) was published in News/North and the Globe & Mail. The closing date for receipt of proposals was January 21, 1993. Three proposals were submitted. None was from a designated northern business.

The proposals were reviewed and rated and, as a result, the department selected Wilson and Associates.

4. Were business incentive policy provisions used in determining who contract was let to?

None of the three proposals was from a designated northern business.

None of the three proposals was from a designated northern business.

5. What is the time frame in which the contract work will be done?

The Department of Health expects to have a legislative proposal for a new Public Health Act by fall of 1993.

**MR. DEPUTY SPEAKER:**

Item 7, returns to written questions. Item 8, replies to opening address. Member for Thebacha.

ITEM 8: REPLIES TO OPENING ADDRESS

**MRS. MARIE-JEWELL:**

Thank you, Mr. Speaker. I am quite happy this afternoon to be able to give my reply to the Commissioner's address.

--Applause

I am so happy that the Members are so eager to hear it.

Mr. Speaker, I believe it has been a fairly long and productive session of this Assembly. However, there are a number of matters which I believe to be worthy of further comment. As always, Mr. Speaker, in my reply to the Commissioner's address, I like to take the time to thank my constituents, the people of Fort Smith, for their continuing support, and for the confidence they demonstrate in me when they bring these matters to my attention.

I would like to touch on a few of those issues, Mr. Speaker. I would like to make some more general comments dealing with the political environment within this House and in the Northwest Territories at the present time.

In developing this address, I have been trying to look at the priorities of how this should be formulated. I certainly feel that the priority of my constituency is to address transportation. I would like to make some comments in the area of transportation that certainly affects my constituency greatly.

As honourable Members know, Mr. Speaker, I have believed for quite a long time that there should be a road south from Fort Smith. The only feasible way to put this road through which would be cost-effective is to put it through Wood Buffalo National Park to Fort Vermilion. I believe we could even then make use of Arctic College's heavy equipment program to build that road and I have said that a number of times in this House. Mr. Speaker, I know that Parks Canada does not want to make the commitment to maintain the road, but someone has to emphasize to Parks Canada the benefit that will be derived for the most park with regard to tourism. I also know there is a movement to address the road on the east side of the Slave River to Fort Chipewyan and then link to Fort McMurray and south. No one will dispute that this is an

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interesting dream, Mr. Speaker, but I believe that is what it is. A dream.

In today's climate of fiscal restraint this is just not financially feasible. A road through to Fort Vermilion only needs one bridge and there is already a cut line on that road. There was a road in existence in 1958

through the same route, and it is unfortunate that over 30 years it has not been developed further. If it was developed further there would have been a good highway on the road by now. I am asking the government to make this most economical and realistic proposal a reality for my constituents.

In future sessions, Mr. Speaker, I will be encouraging the Minister of Transportation to incorporate this within the territorial transportation strategy to set a priority on it. I am sure that when Mr. Todd considers the various economic benefits in terms of lower transportation costs as well as the perspective tourism spin-offs, he will realize that this should, in fact, be regarded as a definite goal.

Construction costs for this highway development certainly could be kept low by using Arctic College's resources, as I have stated earlier. In addition, this would provide valuable training opportunities for students in the trades and heavy equipment program. I believe this government must make a political commitment to follow through on meeting the long-standing need for a southern transportation route and to use college resources to carry out the construction.

Mr. Speaker, the other matter I wanted to raise, with respect to the Department of Transportation, has to do with the need which exists for improvement to our current highway from Sandy Lake to Belrock, near Fort Smith. I would encourage the Minister to look carefully at this important transportation route and to find ways to, at the very least, provide chipseal for that 90 kilometre stretch of highway.

Mr. Speaker, that particular highway has already a good base, so the cost per mile would probably be one third of what the cost of mileage would be in Yellowknife and the surrounding area.

Mr. Speaker, it is critical that the Department of Transportation no longer applies calcium to that highway. It kills the chickens and it is not economic strategy for long-term road maintenance. In my opinion, it is money wasted.

I would like to suggest strongly that the department take the money it is presently using for calcium supply and convert it to a program which would apply chipseal to this portion of the highway. Even if the Minister makes an efforts to look, over the next five years, at addressing that 90 kilometre stretch, my constituents would be most grateful and so would I. The Minister must direct his department to do this and then we will see movement toward a chipseal



program for our highway. The Minister must not ask his department to see if they can do it because they will come back with every answer not to do it. That program was started in 1984 and nothing has been done on it since.

Mr. Speaker, the next concern with respect to my constituents is not a concern but an issue in my constituency and it is Arctic College. As honourable Members know, Arctic College is also situated in Fort Smith with one of the largest campuses. I made a commitment to the people of my constituency that we would see an academic building constructed and I am happy and grateful to see that this project is now under way, even if it is only in the early stages of developing and planning.

I am also strongly of the opinion that the Science Institute of the Northwest Territories should be formally linked with the college. Mr. Speaker, this is important. The linkage will make it possible to share resources and reduce costs. It would also facilitate the recruitment of qualified people who are willing to come to the college and work on term positions.

Mr. Speaker, at times I get quite concerned with some of the types of research that are carried out in the Northwest Territories. I am concerned that although the Research Act requires community consultation on licensing decisions, Science Institute personnel do not carefully review what sorts of activities should be licensed. Much of the research is not really relevant to the people of the Northwest Territories. Yet, Science Institute facilities and resources are often expended.

Mr. Speaker, I took it upon myself to go back to the Science Institute's book that was tabled in the House in 1990-91. Of all the different science research in the Northwest Territories, looking at the Science Institute's mandate and seeing what type of research licences have been issued, I was surprised to see that a licence was issued with regard to Dene leadership style. A licence was acquired by Sarah Pocklington of Edmonton, who will conduct interviews and library studies to study the leadership styles of Dene living in the Northwest Territories. Doing that type of study from the south, how can they really do a thorough study and research from the south?

I believe a formal linkage between the Science Institute and Arctic College will no doubt strengthen both agencies. I also believe it will result in more relevant, useful information being generated through

research studies and it will only benefit all our northern residents.

Before I finish talking about Arctic College, Mr. Speaker, I would like to say I am grateful to see the proposed decentralization of the college headquarters. As I am sure you remember, this is something I have supported for a very long time because the headquarters was at one time in my constituency.

Again, I must say that I have been somewhat concerned to see that whenever we meet in sessions of this Assembly, it appears that the decentralization timetable has been delayed again. I have assurance from the Minister that the planning to do the decentralization is in the process. I am happy to hear and know that the headquarters will be decentralized to Fort Smith one year from now.

Mr. Speaker, I wanted to comment on a different issue with regard to the educational administration and programming, and particularly three different areas. First I want to remark on the very definite need which exists for renovations of the primary school in Fort Smith. The government, at one point in time, had a commitment of capital dollars for those long overdue improvements. It was unfortunate that in our capital budget these dollars for renovations were taken out. Mr. Speaker, the Joseph Burr Tyrrell School, which three of my daughters

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attend, was built in 1958. I even attended that school. Fort Smith families have had to watch while other communities receive new school facilities, and many other communities have smaller populations. I am not disputing the fact that they have just as equal a right to access to education. In fact, I fully support that. However, it does not seem that there is a planning process in place to look after some of our older capital infrastructure buildings. I believe it is critical that we look at that capital planning. Many of my constituents have pointed out that these capital planning decisions have been unfair, and at times, I have to agree with them.

Another issue which is of serious importance to my constituents has to do with the western Arctic leadership program. This has been an extremely successful initiative and I want to thank Stephen Kakfwi, when he was the Minister of Education, who created and thought of this initiative. It has been an initiative with many benefits to the students and

families that have been involved. However, I am concerned over the level of funding to this program. It does not seem to be adequate to accomplish the kind of leadership training that should be provided.

As the western Arctic moves toward a new constitutional environment with an emphasis on community self-government and the inherent right to aboriginal self-determination, there has to be an adequate pool of well-trained leaders. The program in Fort Smith works towards that goal, Mr. Speaker. Students receive a first rate education in academic studies but the program is so uniquely effective because of the special opportunities it provides for traditional learning experiences, experimental training in land skills, traditional knowledge shared by elders, and awareness activities aimed at social and spiritual development. These are all components of the leadership training program that make it particularly suited to the educational needs of northern youth. Yet, these are precisely the sort of activities that are being placed at risk through funding deficiencies.

Mr. Speaker, I urge the Minister of Education, Culture and Employment Programs to take a close look at the type of excellence which has been achieved through this programming, and to explore funding possibilities very carefully. I have every confidence that the Minister of Education, with his commitment for youth development, will make a sincere effort to address this.

The third issue, Mr. Speaker, is one that requires the immediate attention of the Minister of Education, Culture and Employment Programs. I am referring to the serious problem which appears to exist within the administration of the South Slave divisional board of education. There have been a number of incidents over the past year which suggest that the board is not doing a proper job in managing its human resources. I am concerned that there may be serious shortcomings in terms of board leadership. I believe the Minister has to take prompt action to examine the performance of the board and address outstanding problems, before they compound.

To make this situation even more critical, as I have said in the House a couple of days ago, I have only recently been advised that the South Slave divisional board of education has passed a motion to move its headquarters to Hay River from Fort Smith. I believe that this is the most irresponsible and self-serving action that this board has undertaken so far, without even the support of the region. It even stands out in

comparison to the long list of other mistakes that they have made to date. Mr. Speaker, it is critical that the Minister take a direct approach to dealing with this board and restore some accountability to its functions and to its actions for the people they serve in the South Slave. I have every confidence that the Minister of Education will address this concern and I am anxiously awaiting the results.

Mr. Speaker, honourable Members will remember the decision of the Premier, which was announced last year, with respect to building a heavy maintenance facility for the government's fleet of water bombers and other aircraft. There was no doubt that I was extremely concerned to learn that this initiative has been delayed. I believe that the Minister of Renewable Resources has to be made to realize that this hangar base is critical. It will allow greater efficiencies in meeting the maintenance needs of these expensive aircraft. It will also provide northerners with new opportunities for advanced training in aircraft maintenance technology and associated trades. The feasibility study which was tabled in this House indicates that the existing maintenance facilities in Edmonton are inadequate. It showed that there would be significant effects in terms of the positive economic impacts which this project could have, particularly in my constituency. However, there must be a firm political commitment from the government to proceed with this initiative now in order for the people of the Northwest Territories to attain these benefits. I do not believe there should be a delay in proceeding with this construction project. Mr. Speaker, I say that there should not be a delay because I know for a fact the academic building is only in its developing stages, and if there is no construction for the hangar base in Fort Smith this year, then there will be no employment opportunities for my constituents. I do not want to see my constituents, who have never had to go to Social Services, start having to go to the Social Services office in order to survive. I would encourage the Minister to make every effort to be able to negotiate with the groups in the construction of the project where he can, at least, give the green light to these groups to start construction. I appreciate every effort that he has made in addressing this issue. I want to thank the Minister for making the commitment to come to Fort Smith on April 17 and 18 to meet with the community of Fort Smith and the groups. We are very pleased to hear this. They are looking forward to the Ministers visit.

Mr. Speaker, while I am speaking about economic benefits to the north, I would like to comment that I was very pleased to see the Department of Economic Development and Tourism proceed with its study of the wood pellet production. Mr. Speaker, I believe that there is much potential for the Northwest Territories to take advantage of these new technologies and new markets in those areas. I also believe that wood pellet production facilities should be located in Fort Smith. That community has lower power rates than any other community, which would allow a greater cost-efficiency in plant operation. It is also in close proximity to timber and has a well developed support industry. I received a letter from my mayor dated March 4, stating that the town council is requesting my support in the Legislative Assembly for the location of a wood pellet plant in Fort Smith. The pellet plant could certainly be in a location where he has stated that low cost of electricity, market conditions and central location with respect to transportation would be good for transportation into other market areas. It

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certainly has the best road access to both northern and southern markets. So I urge the government to place the pellet plant in Fort Smith.

**CHAIRMAN (Mr. Pudluk):**

Member for Thebacha, could you push your button?

**MRS. MARIE-JEWELL:**

Thank you. I would urge the Minister of Economic Development to review this matter carefully and when making a decision to look at the economic interests of the territories and the viability of this particular initiative.

Another potential economic development initiative, which exists in my community, is the proposed greenhouse facility in Fort Smith. Mr. Speaker, the Minister of Economic Development had mentioned this in the House. I agree that there is significant merit in this proposal. I also agree that the greenhouse facilities should be located in Fort Smith because they could supply inexpensive and high quality produce, not only to that community, but throughout the South Slave region, if not to the Northwest Territories, similar to the supply of eggs we receive. We have to try to stop one way or another importing products into the territories and to try to be self-sufficient.

---Laughter

Fort Smith will never move to Alberta.

**AN HON. MEMBER:**

That is all right, we want you here.

**MRS. MARIE-JEWELL:**

Mr. Speaker, this young lady, Ms. Steed, has some excellent ideas for products and marketing development and she would be capable of getting the major projects like this, successfully off the ground. However, the matter of residential eligibility criteria will need to be addressed. In that respect, as a Member of the Assembly for my constituency, I find it very difficult to provide an opinion to the Minister. I know the Minister is guided by policy decisions, particularly on this matter. Based on the spirit and intent of our territorial legislation, however, I do not know whether prior precedent has been set, but I feel confident that the Minister will use his own good judgment in looking at this particular proposal.

At the same time, Mr. Speaker, as soon as I was asked for a letter of support from Ms. Steed, I was also approached and asked for a letter of support from another constituent, who had expressed a strong interest in undertaking a greenhouse development enterprise. There is no doubt that both of them would do an excellent job developing a greenhouse. There is no doubt that Fort Smith has a longer summer season than many other communities in the north. We are very fortunate that we have a longer growing season and I believe that the benefits, as a result of the greenhouse, would be beneficial, not only to Fort Smith, but to all the communities in the territories.

I just wanted to raise this issue to advise the Minister that I find it very difficult, unless I give two letters of support to my constituents, to be able to look at assisting with a greenhouse. I do not know if the department can afford two proposals, but there is no doubt in my mind that the north can support two greenhouses. Generally, Mr. Speaker, I am usually one to be able to give recommendation, but I find myself very torn in this particular situation because I have constituents, a couple of whom are native, wanting to build a greenhouse in the Northwest Territories. They are members of the Dene band. Then, I have another constituent, who has a great deal of knowledge and is capable in getting such a project off the ground. She has much experience with respect to agriculture.

However, the technical problem of my constituent being in Alberta, I hope can be overcome. I have tried to encourage her to build it around Fort Smith as that would take care of that problem. However, Mr. Speaker, the Minister realizes the potential in this particular area and that is why he mentioned it in the House. So, I hope this issue can be addressed. I hope it is not delayed any further and that they put some major effort in evaluating the business and the market potential of this concept to take advantage of the local interests and the window of opportunity in supplying produce. I would like to strongly suggest that in moving ahead on this initiative, the department should look closely at whether the community and the region can support two independent research programs with respect to this particular issue. As I have said earlier, I believe they can. The market potential for inexpensive northern grown produce is extensive and could probably consume the produce of more than one greenhouse. So, I look forward to the Minister's decision respecting this matter.

Mr. Speaker, the other comment I wanted to make is on the exciting economic development prospects which exist within the Fort Smith region. I know many Members have already been aware of the fascinating and promising work that has been carried out by Mrs. Dube, a long time Fort Smith resident. Mrs. Dube, largely on her own, has carried out some very practical and well-researched work into the use of natural products. For instance, she has worked toward developing a line of quality products which can be manufactured from musk-ox by-products. She has developed a process for developing laundry soaps, bar soaps, shampoo and skin care products from musk-ox fat. In fact, I have a sample of the musk-ox fat, Mr. Speaker, that I want to pass on to the Minister of Economic Development to see what can be produced from the work she does. These revolutionary ideas offer economic development prospects which could benefit northern businesses. Right now, we have very few manufacturing goods, either for export, or part of the government's overdue import substitution program. Every time I see Mrs. Dube, she says "We are talking industry here. We are not talking just a few little things - industry." So I want to emphasize to the Minister of Economic Development, if you could look at developing this, you will be looking at industry.

**AN HON. MEMBER:**

Hear, hear.

---Applause

**MRS. MARIE-JEWELL:** However, Mr. Speaker, I have been somewhat concerned that Mrs. Dube has encountered some frustration in working with officials from the Department of Economic Development and Tourism. She has told me she does not feel she has received full cooperation from the department and she has had to endure extensive waiting periods. Sometimes I believe it is just a misunderstanding on both parties. Mrs. Dube is not fluent in English and sometimes I believe it is just her misunderstanding of what commitments have been made. Mr. Speaker, if we are serious about building on our northern economic potential, we must clearly place a priority on developing good ideas and invention that our northern residents bring forward. I am of the opinion that this government must begin to show confidence in the capacity of its own residents. Northerners are just as capable of inventing new products and developing new technologies as the people in any other jurisdiction. It is time for the Department of Economic Development and Tourism to realize and recognize this and take full advantage of the inventiveness of a northern entrepreneur, like Mrs. Dube. I am encouraging the Minister of Economic Development and Tourism to take prompt action to assist in any further research and commercial development that needs to take place.

Mr. Speaker, when we sit in November, I plan to ask the Minister about the progress that he is made in moving ahead with these economic development prospects. Mr. Speaker, one other comment that I do want to mention briefly is with regard to the day care facilities and in doing so, I would like to thank the Department of Social Services, that has the responsibility of day care, for the consideration it showed to the people of Fort Smith when it provided the former personal care unit for use as a day care. I believe this was a positive acknowledgement of needs that Fort Smith families have related to the government for some time. However, I am concerned that we still do not have a comprehensive day care policy. I certainly believe this was disappointing and a lapse in performance by the previous Social Services senior management. However, I am grateful that this program responsibility has not been transferred to the Department of Education, Culture and Employment Programs, and I hope at a better level of organization and follow through which exists at the senior levels in that department, it would be possible to put a high priority on the finalization of a workable day care policy for the people of the Northwest Territories.

Sometimes in as much as I know the hard working people in Social Services want to address something, they at times, unfortunately, lack the understanding of how to address it and meet the needs of the people.

Mr. Speaker, while I am on the subject of the Department of Social Services, I think it would be wrong of me not to make some comments about the dreadful state of affairs which exist with respect to the social assistance program. Through history, there have been comments that the level of humanity which a government possesses can be determined by looking at the manner in which it treats the least fortunate of its citizens. Recognizing the failure of the Department of Social Services to ensure that social assistance rates remain consistent with the cost of living, and recognizing that a great number of people in the Northwest Territories, traditional hunters, elders, disabled people, are forced to turn to welfare when they should never have to, I sometimes wonder what this says about the humanity of this government.

Mr. Speaker, when I was the Minister of Social Services, as I said when we were running for the leadership race, I used to stick my neck out for poor people. Sometimes I get frustrated that these poor people feel that they are still being overlooked.

Mr. Speaker, the social assistance rates need to be reviewed. In fact, not only the social assistance rates but the whole system of welfare needs to be reformed. I know the Minister of Social Services realizes this, and I am certain she is committed to seeing improvements in this area. However, Mr. Speaker, I urge the Minister to get her officials moving on this. If the present directorate within the Department of Social Services is unable to complete the task, then I tell her she should bring in some professionals who can because we must remember we are only in the second generation of social assistance and welfare, and I see us as a welfare state by the year 2000, if we do not address this concern now.

I would also encourage her to look closely at the need to reform the manner in which this government deals with support for the disabled. For many years I have remarked that it is inherently unfair that people with disabilities have to go to the local social services office and line up to apply for welfare. It is humiliating, it is degrading that they have to get their cheque every month. That is not a proper way to treat people. It contributes to stereotypes about people with disabilities, and it conveys a perception that these are people who are either unwilling or

unable to contribute anything to their respective communities. Mr. Speaker, that is blatantly unfair and I believe it is wrong.

I have argued for some time that the Northwest Territories should be moving in a direction which establishes a system of disability pensions. We need a system whereby disabled people can financially receive support from the government, and retain the dignity as we all wish to do. I am sure many of these people do not like to go to social services. In many other jurisdictions they do not have to go to social services, there is a section for the disabled people, there is a particular division within a department, "solely to address the disabled."

Mr. Speaker, many of the same arguments can be made about the manner in which this government is forcing hunters, trappers and fishermen into the welfare system. It is absolutely ridiculous to have a system which signifies self-sufficient men and women who have made a living from the land throughout their lives to have to turn to social assistance to carry them through the lean months in the hunting or trapping cycles. I find it, at times, even more disappointing to see young people who could and should be pursuing the traditional harvesting life-styles that have sustained our people throughout the history of the north, relying on welfare. This government was supposed to have been working on an effective harvest income subsidy program for close to five years now. Mr. Speaker, I still see no program being developed.

I feel this is another example of the territorial government letting down the people of the small communities who rely on them. This year was a terrible year for hunters and trappers in the Northwest Territories. Before the end of January, many trappers took out their traps. There is no reason in the world

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why effective guaranteed income provisions or workable income subsidy programs cannot be developed for hunters and trappers in the Northwest Territories.

In the south, farmers receive subsidies. Mr. Speaker, I believe it takes the will and the wisdom to follow this through. I would like to ask the Minister of Social Services and the Minister of Renewable Resources get together to look at the amount of funding they give in social assistance and formulate some of that money for hunters and trappers into an income

subsidy program where hunters can hunt and feel proud of hunting, not to take their dignity away when they have to go to social services when the hunting seasons are bad. I believe this is an issue that has to be addressed.

With regard to further concerns respecting social services, I have mentioned to the Minister of Social Services that I was somewhat concerned about the manner in which one of her facilities, a child welfare facility in Fort Smith, was being managed. I am grateful that the Minister is going to do a review because I am concerned that the program delivery lacks coordination and is not properly supervised.

I am concerned, as well, about personnel procedures at the senior administrative level. For example, certain supervisory staff have been allowed to attend the college classes while they are supposed to be on duty and receiving their salary, not taking educational leave but just going to the college to take different courses. I do not believe that is right. If they are going to take training while on the job where they go to workshops, takes courses, that is fine. I do not take that away from them, but to go to take college classes in a course, that is not right. Members only have to look at the large number of aboriginal people employed in junior positions within the territorial public services who are not allowed the same privilege.

I want the House to know that I have discussed the matter, and as I have said, I am pleased that the Minister has agreed to carry out a complete review of the facility, its staffing policies and program effectiveness. I am sure I can count on her to ensure that a balanced and effective review is undertaken, and that appropriate action is taken by the department to correct any inadequacy which she may identify.

Mr. Speaker, there is another area within the Department of Social Services where ministerial review and action needs to be looked at. I am referring to the alcohol, drug and community mental health services division in that department, Mr. Speaker. It has been my observation over the past two years that very little progress has been made within that program area. Salaries for alcohol and drug workers were evaluated for adjustment, and are still largely inadequate. The addictions treatment facility on the Hay River reserve is proceeding according to previous strategic planning exercises, but there is still a great deal of confusion about whether the department has made a serious commitment to funding staff levels and program design. Training programming for addiction

counsellors has to be looked at. There are very limited, if any, capabilities for family based addiction treatment. There has been no significant progress with respect to treatment facilities for solvent abusers. Even though my colleague from Baffin South has raised it as an issue on a number of occasions, this is one area that we must address. What is worse is that there has been no increase in the number of community-based alcohol and drug programs since 1991. Many of the communities which have no alcohol and drug counselling facilities are probably the ones that need them the most. Mr. Speaker, over and over this program area is one that has been recognized in this House as being critically important. With so many of our social problems being barriers to economic development and our growing correctional population tied to the incident of alcohol and drug problems, I find it is disappointing that such slow progress has been made within the Department of Social Services with respect to addressing these serious problems.

However, Mr. Speaker, there is one positive thing which I believe has been accomplished in this area, and it has been the establishment of regional alcohol and drug specialists. These people are really making a difference in many regions with respect to community development and needs assessment. However, I am concerned that the senior departmental officials are not listening to the field-based resources. They are not taking their recommendations seriously and they are not responding to the community needs which have been identified. That is regrettable. Mr. Speaker, I think it highlights a significant problem which exists within the administration of the department. For these reasons, it is absolutely necessary that the board of management for alcohol and drug services be revitalized and fully used. Mr. Speaker, this is a board which has worked very well through the past years. Some honourable Members will recall that this board originally existed as the alcohol and drug coordinating council. It was revamped in 1988 to include much better regional representation and served as a mechanism through which communities and regions were able to have input into senior level policy decisions. It also reviewed funding submissions from alcohol and drug projects across the Northwest Territories and did a good job of ensuring an equitable distribution of funding.

The members of the board, Mr. Speaker, were highly respected within their communities and regions. There were people such as Nancy Peel, Dr. Ross

Wheeler of Yellowknife, the Honourable Helen Maksagak, who is now the Deputy Commissioner of the Northwest Territories, Rosie Oolooyuk, who now sits on the Keewatin regional health board, and former chiefs such as Norman Yakelaya of Fort Norman, and Felix Lockhart of Lutsel K'e. There is no doubt that these people demonstrated a strong commitment to improving alcohol and drug programming, and they served as excellent role models through their own modelling of abstinence and healthy life-styles. Yet, even though the members of the board of management made this significant contribution they have not been treated well by the department. There has been a lack of support for meetings and poor information flowing from the bureaucracy to the board.

We need boards like this to ensure that the Yellowknife-based bureaucrats are made aware of the situation that exists within a community. We need the collective wisdom of aboriginal people from throughout the Northwest Territories to make sure that priorities are well established and that program commitments are followed through. I believe that the board is badly needed, largely because, to be frank, I lack the confidence and the approach and awareness that has been

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demonstrated within the management of the Department of Social Services to address such a critical issue.

I was glad that on the first day of the session the new Minister of Social Services agreed with me and indicated that she would be making appointments to the board to bring it up to full strength. I anticipate that the board will be meeting soon to review funding submissions from community-based alcohol and drug programs.

**MR. DEPUTY SPEAKER:**

Point of order, Mr. Whitford.

Point Of Order

**MR. WHITFORD:**

Thank you, Mr. Speaker. Mr. Speaker, the honourable Member has many important things to say and it is a shame there is no one in here to hear them. There is no quorum.

**MR. DEPUTY SPEAKER:**

Thank you. Mr. Clerk, ring the bell. I would like to advise this House that the Member for Thebacha must make an emergency phone call. We will take a few minutes break.

---SHORT RECESS

**MR. SPEAKER:**

I call the Assembly back to order. Before Mrs. Marie-Jewell carries on with her reply, I would like to recognize in the gallery a basketball team from Fort Simpson, the Fort Simpson Wolf Pack.

---Applause

Apparently three of them can slam-dunk the ball.

---Applause

Mrs. Marie-Jewell.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Speaker. Thank you, Mr. Speaker, for giving us the opportunity to take a few minutes out. I had a fairly urgent message from my husband and by the time I called, he was already at the hospital with one of my children. I felt that I had to tend to that.

Mr. Speaker, before we took the break, I was asking the Minister of Social Services to look at the alcohol and drug board of management. I certainly hope that this particular board of management would be brought up to its full strength and that they look at reviewing funding and submissions for community-based alcohol and drug programs. I want to let the Minister know that when the House reconvenes in November, I will ask for the department's follow through on the Ministerial commitment that she has given me.

In speaking about health centres, Mr. Speaker, I have spoken to the Minister of Health with regard to the community concern of the health centre in Fort Smith continuing to operate under the direction of a ministerial appointed public administrator. The community has been concerned, particularly the town council, with respect to this. From the public meeting, the Minister knows that there is considerable interest within Fort Smith of moving toward the election of a hospital board trustee. This was something which was commented on in the report which was provided to this House by the Standing Committee on Agencies, Boards and Commissions. I am, again, pleased with the way that the Minister of Health has responded to this particular community interest.

Mr. Speaker, as suggested by the standing committee, she has now agreed to undertake a review of this issue and I am pleased to note that we will be working together to survey my constituents' views on questions of board composition and selection. However, while this work is going on, we need to return to a board managed facility. I will be urging the Minister of Health to appoint an interim board while this matter is being studied. It is very difficult to continue with the situation which exists with respect to the public administrator. Mr. Speaker, it is not the idea of having non-confidence in the public administrator, it is just the actual perception and with the town council expressing a reluctance to continue participating in the planning activities so long as the public administrator is in place, it is of concern. Mr. Speaker, I have every confidence that the Minister will realize the steps which have to be taken and will replace the public administrator by appointing an interim hospital board for a one year term.

Mr. Speaker, at times with respect to the Minister of Health and the Department of Health in general, she has a very difficult situation with which to cope. Having the Department of Health and Social Services are two difficult departments and there is no doubt about it. I bet you if the Government Leader wanted to give that department to any other colleague on the Cabinet, not one of them would jump up to take it because those two departments are no-win departments. I understand the difficult situation in which she has been placed on many issues to a large degree, but I believe some of it has been caused because of the senior administration within that department. The Standing Committee on Agencies, Boards and Commissions included a section in its recent report, subtitled "a question of attitude." Mr. Speaker, as a Member of that committee, I believe that the comments in that section of the report are very accurate. There does appear to be an attitudinal problem within the management of the Department of Health. These attitudes reflect a paternalistic type of attitude, that no doubt is outdated in today's Northwest Territories. It is an attitude which has been reflected in the way the department has been dealing with regional health boards. That is clearly seen from comments that were made by board representatives in the proceedings of public hearings, when Mr. Zoe's Standing Committee on Public Accounts held its review on the comprehensive health audit. It is an attitude that my honourable colleague from Deh Cho commented on when he was reporting the department's response to regional requests for the transfer of CHR positions. The attitude problem was

clearly seen as well in the manner in which the department chose to respond to the Auditor General's report, and in the approach that was taken by the deputy minister in dealing with the standing committee.

When we, as the Special Committee on Health and Social Services, met and listened to some of the proceedings on the Standing Committee on Public Accounts, I recall asking a few questions. This was the response from the deputy minister at the time, "Well, the department has gone through five Ministers." That type of attitude, and I know sometimes changing a ministerial government at times is difficult on the bureaucrats, but if the department had plans in place there is

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no doubt that their plan would probably be able to bridge them before they get another Minister to give them direction. So having five Ministers is not an excuse for the attitudes that prevail within the department. The bureaucrats in the Health directorate are not fooling anyone with these superficial, superior attitudes. The Auditor General's report pointed out that the department is not being well-managed and that it is out of touch with the priorities of health stakeholders in the communities. Mr. Speaker, I believe that is going to have to change. Both the department and the Legislative Assembly are fortunate that we now have a Minister of Health who is sensitive to the needs and perspectives of the communities in the north. I trust that she will be able to supervise the transition in attitude and the many adjustments in management style which are going to have to take place within the Department of Health.

However, in saying this, Mr. Speaker, I would also encourage the Minister to be diligent in studying her briefing material and communicating with Members of this House on health concerns. I am certain that honourable Members of the House are interested in receiving more specific and faster responses to oral questions and other inquiries that we have been able to anticipate from the Minister of Health during the current session. I am sure that as her familiarity with the mandate and the programs of the department grows, she will become better able to provide Members with the information we need.

One of the issues, Mr. Speaker, that is still a concern to my constituents and which I am hoping the Minister will act fairly swiftly on is the constant and irritating harassment that the department is still directing



towards a long-time doctor who has practised in Fort Smith. Unlike most health professionals, Dr. Viswalingam has made over a ten-year commitment to our community and to the people of Fort Smith. Many of the elders count on him and I know that aboriginal people in the community believe that he is one of the few doctors who has been able to listen to their health concerns. Yet, the level of internal politicking within the board, the public administration, the reviews to which he has been subjected to, the personal financial losses he has suffered through court action to protect his good name and his professional status, there is not a doubt these have all taken their toll. I was gratified that an arrangement had been made with this hard working doctor for an out of court settlement. I thought that appropriate measures were in place to complete the recommended review activities, but now I have found out that officials in the Department of Safety and Public Services are refusing to renew his medical licence. I have to say to the government that they should leave this man alone, they should stop harassing him and allow him to serve the people of the north. Many of my constituents are monitoring this and I have received many phone calls regarding their concerns with this and there is no doubt that I am concerned about it. I certainly hope that this issue can be addressed as quickly as possible.

Mr. Speaker, another matter that has been drawn to the attention of Fort Smith residents and myself is there is no doubt in the preferential treatment, and I felt when I made my Member's statement, that it was not preferential treatment, but after I thought long and hard about it, I guess I have to admit that it is preferential treatment which has been accorded to an inmate at the Territorial Women's Correctional Centre in Fort Smith. Sometimes I think the situation is absolutely incredible. It is the stuff that television writers use for situation comedies. Mr. Speaker, and I am mindful of your ruling, that the senior manager in the Department of Social Services, who stole from the Government of the Northwest Territories, who took public money that had been set aside for social assistance, money that was intended for the less fortunate, the amount being over \$250,000 was one of the most serious breaches of trust in the history of the territorial government. I know she was dealt with appropriately by the courts. She was sentenced to serve federal time, which would normally be served in a federal penitentiary. During the trial her lawyer asked the judge to choose a sentence that would serve time near her psychiatrist in Ontario because she had been assessed as needing personal help. I

support that. If someone needs help, they should get help. The supreme court justice took that into consideration and said that she would be able to receive that help at the federal penitentiary where we expected her to go. The advice on which he based that was even provided by the territorial director of corrections, Mr. DuPerron. Maybe that is why he is not here any more.

What happened to this past territorial employee? She is now living across the street from the correctional centre in Fort Smith with minimal supervision. She attends classes as a full time student at Arctic College. As I said in my Member's statement, it is a privilege that is denied to many aboriginal people in our community because they lack the funds. She has money to pay for tuition and books at the college, but not enough to pay back the social assistance funds she took from the Department of Social Services. She goes out on outings around the community, suppers here, meetings there and I am even told that she goes to aerobics classes. Mr. Speaker, my constituents are appalled with this and so am I. I wonder what message is sent to people who might be inclined to try to defraud their employer? Where is the general deterrence that the court intended for this inmate's sentence to represent?

I think one question weighs on the mind of many honourable Members and the public at large, would she receive this kind of treatment if she were an aboriginal woman? Mr. Speaker, I doubt it. There is no doubt that the Fort Smith Dene band has expressed its concern. I have tabled that letter in this House because many constituents have expressed their concern. The letter read but because of the remarks of the Minister of Justice asking who was I speaking for, it got the band mad so they wrote the letter to the Minister. They said, "On behalf of the Salt River First Nations, we are in full support of our respective MLA, Mrs. Jeannie Marie-Jewell, as she addresses the concern of a particular inmate at the women's correctional centre in Fort Smith. The number of concerns to this regard is to exceptional treatment of a particular inmate in terms of the schooling and accommodation provisions made available to this inmate. The other concern is with regard to the sentencing and whether, in fact, the policies of incarceration reflect the sentence that the courts have made judgement. These are a few of the concerns we have at the moment and I would like clarification on these matters. The main point, I must emphasize, at this time is our full support to our MLA with regard to addressing the concerns of the

community of Fort Smith. I would strongly urge the respective Minister to respond and further to address the concerns of our community. If there are any concerns I would be more than pleased to respond further but all the confidence is in our MLA to address our concerns to the fullest." That is who I speak for, the people of Fort Smith. It is signed by the chief.

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However, Mr. Speaker, I believe this episode has demonstrated something worrisome about the quality of case management within the territorial corrections system. I expect that we will find ourselves revisiting issues such as this over and over until a major review is completed. I know the Legislative Assembly is forming a delegation to look at the Navajo reserve, and the Minister will be taking his officials to look at the correctional centre, the justice system. I certainly hope that we look at a major review of the total justice system on how it addresses the people of the north. I must say, our justice system is not working. It is not working for the people of the Northwest Territories.

The other area, before I move away from Justice, is, in the budget there was a proposal to take away fees for jury duty. I certainly hope the government looks at that and does not take away that little \$25 fee that they give to people who attend jury duty. The little \$25 is not much to the government, Mr. Speaker, but it means a great deal to the poor people who have to take a cab to the court houses, that are not centrally located in many communities. That \$25 does, at times, go toward their babysitting, when they have to attend the courthouse to see whether or not they have to serve jury duty. I certainly hope they find a mechanism to address jury duty fees for people who are subpoenaed who do not have other income. For civil servants, that is fine, they get paid their wage. So, if they take away the \$25 they are not losing anything, civil servants still get a salary. However, for the people who are unemployed, what do they have? Nothing. I really wish the government would take a look at this with that perspective.

Of course, Mr. Speaker, with regard to Justice, if I overlook the River Ridge facility and the concerns which I have expressed, it would be wrong of me. I have been expressing concerns in the manner in which River Ridge facility has been targeted for triple designation. That is a facility which has been designated for the highest level of security that a young offender institution can provide. I simply cannot see how the institution is going to function as an open custody unit. However, I will be very

interested in reviewing the program evaluation report which the Minister of Justice promised in the House yesterday, when he completes the six month review on the initiative. Mr. Speaker, I will make sure that there is not going to be additional appropriations required to bring about the structural changes in the facility. If this Cabinet comes in for special warrants or supps, particularly supps, I will vehemently speak against it. I will jump up and down and everything.

---Laughter

Mr. Speaker, the decision to change the designation at River Ridge has been more carefully reasoned than another decision this Minister made with his Department of Personnel, which is housing. For some time I have been concerned about several aspects of the government's plan to dispose of surplus housing in Fort Smith. I have been particularly troubled by the Department of Personnel's decision to ask Arctic College to identify its needs for housing units. I understand that Arctic College will be assuming responsibility for these units and will take over the role of landlord from the Department of Personnel. However, when you look at the overall department's budget, I do not know how it will reduce maintenance costs because all you are doing is taking from DPW and Personnel and giving it to the college, the college funds will be used for maintenance costs of these units. It does not seem to make sense. I have a concern that different standards will be set for how students will use those houses that would be found in the private rental market.

Mr. Speaker, I have expressed concern over the abuse and damage of units. I am concerned that if all of these units are turned over to the college it would reduce the college's ability to do program delivery, because you will be tying up some of your funding for maintenance of housing. The Minister probably wonders what should he be doing with surplus government housing in Fort Smith, and as I have said before, he should have made a decision to sell the surplus units according to the properly established disposal plan, not to sell them to the point where they disrupt the current balance within the real estate market. If he sold those units, it would have generated revenue for government coffers and defrayed the deficit. Then, he could have looked at a leasing concept in which student housing would be leased from private landlords. That is the best way to go. It is cheap, and you still get your student housing. At the same time you get more money for the government. It would stimulate the rental market and no doubt, support local home maintenance firms. Mr.

Speaker, I am concerned that Arctic College is now being left with an administrative headache and the government has simply shifted and transferred its landlord responsibilities from a department to an agency. I think that is poor planning and I would urge the government to revisit that initiative.

With respect to the housing strategy, Mr. Speaker, I would like to make a brief comment on the Minister's housing strategy, which occupied so much of the House's time and attention at the beginning of this current session. Mr. Speaker, the level of planning and preparation of announcing and implementing this strategy was not significantly better than the one I had just mentioned. However, I must say that in principle I fully support the direction that the Minister took on this issue. In fact, if I had not been required to travel to Toronto for negotiations on banking services, I probably would have voted against the motion, which Mr. Patterson brought forward. Mr. Speaker, I believe that all northerners have to realize that we are in difficult financial times and it is absolutely ludicrous to be providing subsidies to government employees, rental accommodation, when long-term residents of the territories, aboriginal families and elders are having to live in units that, in some cases, are little better than what we call shacks.

Mr. Speaker, I want the record to show that after careful consideration of the issue, I support the housing strategy brought forward by the Minister of Personnel. People in Fort Smith were faced with a similar situation when adjustments were made to staff housing policies in Yellowknife, Fort Smith and Hay River. There is no doubt that I paid the political price for that. In the end, I realized that it was the right direction for the government to be taking and I believe that this housing strategy, minus some of the ineffective public communication, is a positive step in the right direction. In fact, Mr. Speaker, I encourage the Minister of Personnel to even go further and give strong consideration to whether the Government of the Northwest Territories should even continue to pay its employees a housing allowance. Mr. Speaker, to continue paying public servants \$450 a month simply because they chose to work for the government, when disabled people and

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elders get much less than that on social assistance, it is just about obscene. It borders on being unfair. I will be urging the Minister of Personnel to continue to move towards a more equitable distribution of the public purse, even if there is pressure from organized

labour, special interest groups and the union, and even Yellowknife MLAs.

---Laughter

All these Yellowknife MLAs have been my friends.

---Laughter

**MR. PATTERSON:**

What about all the rest of us?

**MRS. MARIE-JEWELL:**

You have been my friend for a long time too, Dennis. John Ningark is my best friend, though.

---Laughter

Mr. Speaker, the other area that I want to cover is the area of the media.

---Applause

I have been wanting to comment on some of the issues which confront the people of Fort Smith. I know this is taking quite a lot of time, but I want to make sure that matters were explicitly and accurately described in the Hansard. I find this is necessary, Mr. Speaker, because we, as Members, cannot count on the media to do an adequate job to report the business that takes place in this House. That is really unfortunate. Mr. Speaker, this House has completed an unprecedented amount of work and I have statistics about that that I will talk about later in my reply. We have also doubt with some issues of serious concern, not only at the territorial level, but at the national level as well. Yet, the level of responsibility shown by the media is disappointing. I will give you an example. This House passed a motion condemning the federal government, the Government of Canada, for its funding cut backs. This is a significant motion. In any other jurisdiction, if a provincial government condemns the federal government, it makes front-page headlines, but here, the broadcast media are so busy digging into the financial matters of MLAs, or making ill-informed, poorly researched comments about House procedures, or making foolish sounding raven noises over the radio, the important news items are going right over their heads. The worst part of it, Mr. Speaker, is that they are not even getting the facts correct, when they launch their self-serving personal attacks. In that respect, I would like to take this opportunity and refer to a matter that arose earlier in

this session, and I did not respond to it deliberately because I thought "That is okay, there will be a time and a place in my reply to deal with it."

There was an article in the Friday, February 26 edition of the Yellowknifer -- and I really have to laugh when I think about it -- which contained comments that are misleading and inaccurate. Specifically, I refer to the article on page three. It was right after the Prime Minister of Canada quit, their headline read, "Locals Mostly Happy About PM's Resignation", people in Yellowknife were happy Brian Mulroney was going. That article included the following quotation, "With Mulroney gone, Bush gone, Getty gone and Jeannie going, there is hope for the country yet," said one disgruntled coffee drinker at the Diner. The newspaper even added brackets to the quotation to make it clear that the statement was intended to refer to me and to my constituency of Thebacha. They took special effort in ensuring that the quotation attracted maximum attention by including it in a box column on the front page of the newspaper under the quote of the day. Mr. Speaker, by associating my name with that of the three politicians who have recently resigned, and by stating that I was going, was giving an impression that was intentionally created, that I was planning to resign, and nothing could have been further from the truth.

--Applause

I want to ensure the Members of this House and the people of my constituency that I will continue to represent them in this House actively and to the best of my ability.

--Applause

I am commenting on this today, Mr. Speaker, because I believe it is important to clarify this to anyone who is surprised by the innuendo in this article. I also raise it, Mr. Speaker, because once again I was appalled by the actions of the news media, the news media organizations in Yellowknife. No one from News/North contacted me to see if there was any truth to their secret source comment before inferring that I would resign. Clearly, the decisions to include this quotation from an unidentified individual, to print it without additional facts or confirmation and then to draw attention to it on the front page, reflects the worst kind of unbalanced and unprofessional reporting. Mr. Speaker, the Canadian Press, and I had a copy of it, publishes a manual which includes guidelines for this sort of style and principle which should be followed by journalists. I am going to make

sure they get a copy of it. In fact I was thinking, now that it is new year and we have a new budget, I might even buy them a new book and send it to them, out of my constituency funding.

While these are not binding, most responsible reports and editors try to follow them. The style book refers to the following principles as goals to which all journalists should aspire. I will name some of those principles.

"Full investigation, before transmitting any story or identify any individual in a story, where there is the slightest reason of doubt, they should do a full investigation. Citation of competent authorities and sources as to the origin of information open to question.

Impartiality in consideration of all news affecting parties or matters in controversy with equal representation in the report to the sides at issue, and limitation of the subject matter to facts." Facts.

Mr. Speaker, sometimes I do not believe that the media follows these principles. There is one more principle.

"Prompt and frank admission of error with corrections equal in prominence to the error."

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Sadly, I have no hope that the Yellowknifer would recognize that this kind of unbalanced reporting misleads the public and causes confusion. Instead, they would probably come back with a litany of excuses about the fact that it was a quote, not an editorial comment, or that it was intended as a tongue-in-cheek article. The crux of the matter is that what they did was wrong. They contributed to the fabrication of an untrue rumour that I intended to resign and that is not acceptable journalism. It is unfortunate, Mr. Speaker, when Members of the House are forced to repeatedly take time away from the business of this House to correct and clarify false unbiased references made against them in the Yellowknife media.

However, in this instance, I did not allow my constituents to be left out of any confusion about whether I will be continuing to represent them in this Assembly. To my constituents, I would like to make the following statement, that Mr. Mulroney, Mr. Bush and Mr. Getty might be gone, but Jeannie Marie-Jewell is not going anywhere. No, she is coming to

report to the Members of this House when session is on.

To the reporters, who did not even put a by-line on this article and to the disgruntled coffee drinker at the Diner, I would like to tell them that if they would like to see Jeannie Marie-Jewell go, there is one way to do it, they are all invited to run against me in Thebacha in 1995.

**AN HON. MEMBER:**

Agreed.

**MRS. MARIE-JEWELL:**

Then, Mr. Speaker, I would probably do to them what I did to every other man who ran against me, I beat them and I represent the people of my constituency. So, I will probably down them.

---Laughter

---Applause

**MRS. MARIE-JEWELL:**

However, Mr. Speaker, it is unfortunate that the media is acting in this way. The whole government evolves around media and reaction to the media. I used to find that difficult when I was a Cabinet Minister. I always take the attitude that if the media is writing about me then they leave someone else alone, and you give me free advertising, and that is one thing I hardly ever buy, advertising in the media.

I know, Mr. Dent finds that shameful, but that is all right. Now, Mr. Speaker, I wanted to mention, a few weeks ago when we had our hockey game against the media, I had to go home because I did have a previous commitment in Fort Smith. There was a long service award dinner for civil servants and many of them gave at least 20 years to this government, many of them were long-term northerners and many of them were in Fort Smith a long time. I found that the dinner itself was very good because you could tell that the people who worked for the government who received their years of service, were really committed to making change in the north. I want to read some of the speech because they asked me to be the key-note speaker and I would like to read some of the speech that I gave to them.

I can remember a time when the government's presence in Fort Smith had a very different face. I can even remember a time when I was a lot younger,

when an older gentlemen would get up each morning, drive a government van through town -- probably Mr. Lewis remembers that because he was in Fort Smith at one time -- so that our civil servants would not have to make their own way to work. I do not know if Mr. Lewis got a ride to work, though, I forgot to ask him. I can remember the time the pool of secretaries were all seated in a designated working area without much hope of promotion, because at the time they were women. The lines of communication and the levels of bureaucracy were entrenched as though they were unwritten law.

I can remember what it was like as a young aboriginal person to walk into an office and to be confronted with bureaucratic attitudes that were often polite, but undeniably distant and impersonal. I am familiar with the things that were important. That was more than 20 years ago. Very rarely did I see anyone from a Fort Smith family, it became more noticeable the higher you went in the bureaucracy. I can remember the feeling that many aboriginal people shared, a feeling that career success in the public service was something that might be just reserved for other people. That was then, and I honestly believe that things are much different now.

Now I notice very different attitudes in the government offices in Fort Smith. Now I notice that people are being served more courteously and that there are more concerns for the issues they are bringing forward. I see a more collaborate approach within many government offices, one that is willing to recognize each person's contribution as valuable. I see a more active approach to reaching out, more of a willingness to work together with the town council, the band, the Metis local, the school and public interest groups. Now when I walk into a government office in Fort Smith, I see many people who have grown up in Fort Smith. I see more people of aboriginal descent working for our government in these regional offices, too. Most important, Mr. Speaker, at that dinner I told them that I see northern people of all backgrounds increasingly working their way to positions of senior authority. The face of the public service in Fort Smith has undoubtedly changed. As I am sure most of the people in our community would agree that it has been a change for the better. That change did not happen over night and it did not happen on its own. It happened because of a vision and the hard work that was contributed to by our local public servants themselves.

When the Bourque commission was going around I did a submission and told the Bourque commission that I believed Fort Smith should be a model to the rest of the north in terms of how our various cultures have united to form a community. I believe that Fort Smith can be looked at as a model of the way our long-term public servants have adapted and improved to meet the needs of the community. As you know, now is not an easy time to be a public servant.

I did cite a quote that was pointed out in an article published about two years ago by Graeme Scott, Queen's Council, on the commentary on the public's acceptance of government. I would like to quote a bit from Mr. Scott's writing. "There is no secret that there is a deep malaise in the country," he wrote. "There is no longer a belief that the problem belongs to someone else, or that it is all because of one or two unpopular

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leaders. Canadians are not just angry with politicians, they are unhappy about the whole institution of government and they have lost faith in the ability of the state to manage any major undertaking. This public perception has been steadily gaining ground for almost a decade at both the federal and provincial levels. Even though Prime Ministers and Premiers inevitably absorb the brunt of the criticism, make no mistake the public service is equally a target and no less a risk."

I thought long and hard about Mr. Scott's comments at the time. I went and found them again when I was getting ready to give that particular speech. I think in many ways those observations are quite accurate but, personally, I find them unfortunate. It was unfortunate that people who feel that way across Canada could not have an opportunity to see the positive impact which the flexibility of civil servants in my community and the commitment have made to community development in the Northwest Territories.

Mr. Speaker, those are basically some points I had told my constituents in thanking them for doing the work they do in my community. Those are the comments I made to them at the long service awards dinner.

Mr. Speaker, I think it is important to note as well that there has been a great deal of work completed in the Assembly. When I spoke earlier of the media I thought, oh well, they might want to throw mud at the elected Members of this House. Publicly funded CBC

station may want to dig into personal matters and Members' personal financial matters to try and fabricate scandals. The senior bureaucracy in Yellowknife may complain because the departments are now held more accountable and the Federation of Labour put on silly events to try to ridicule MLAs. But the fact of the matter is that since the election there is no doubt about it that this House has got a great deal of work done. I will give you some figures.

During the first year of the 12th Assembly, standing and special committees of this House brought forward 24 committee reports and some of those reports were lengthy. During the first year of the 10th Assembly, committees dealt with only 10 reports. So we more than doubled that. The first year of the 11th Assembly, committees dealt with only seven reports. This year, this Assembly tripled the amount of reports than the last Assembly in the first year. So, there is no doubt there has been a lot of work done. We sat longer, we dealt with more issues and we coped with harder economic times than any other Legislative Assembly in the history of the Northwest Territories.

Committee procedures have been changed to allow almost unlimited public access to the process through which legislation is passed. Previously, this was mostly done behind closed doors. The Standing Committees on Public Accounts, Legislation and Agencies, Boards and Commissions have held major review initiatives with extensive public hearings. Not just in Yellowknife, but across the Northwest Territories. Even then the media was wondering what we were doing. We were consulting with the public, with the people out of Yellowknife.

The rules of the Legislative Assembly have just been revised to make them easier for average readers to understand. We are well on the way to seeing more open government through television coverage of question period and, hopefully, long-awaited access to information legislation.

---Applause

When the media or jaded bureaucrats or even Cabinet Ministers accuse MLAs of spending all their time bickering or accomplishing nothing, I tell them they are wrong, Mr. Speaker. Does it sound like the performance record of this Legislature is accomplishing nothing? I do not believe so. I think we work hard. Many times we come in here at 8:00 am. It is too bad there are no reporters sitting out there at 11:30 pm when we are sometimes finishing up our work for the day.

Mr. Speaker, I think now our Cabinet, at least for the most part, is made up of people who are more sensitive to human concerns at the community level. They seem to be less pressured into meeting the needs of their senior bureaucracies. I think this is a positive development because I have always believed politicians address the needs of the people, if we want to be bureaucrats or if we want the bureaucracy to run the government there is no need for politicians.

I think this is a positive development and I think it holds much promise for the future success of this government. The Cabinet, over the past three months, has shown greater political commitment to addressing people's concerns and issues. I believe, however, there are still some areas of concern though, and I want to raise these now so that they are on the record.

I have become concerned by the attitude that has been demonstrated over the course of the current session by my good friend, the Honourable Stephen Kakfwi. At times I feel he takes a rigid stand on several poorly reasoned administrative decisions. I have found that he has been uncooperative in responding directly to Members' questions. I want to state clearly that I do not appreciate the responses he has made, at times, with respect to myself and other honourable Members during debate. We have become familiar with these antics, as in previous sessions when he refused to rise from his chair to respond to a question posed from my honourable colleague from Deh Cho. I believe this type of attitude has become more noticeable during the current session.

I remember one time when he responded to a straightforward question regarding the housing strategy posed by my honourable colleague from Inuvik. He stated and I quote, "Mr. Speaker, I go to work every day with the optimistic view that I am going to be bashed by someone in some capacity or another. That is part of the job. Some take more pleasure in it than others, it is just part of the job as far as I am concerned." On March 15, he used the same tone to respond to my questions. I want to state clearly that I do not appreciate the comments he has made with respect to me regarding the way the debates have been held.

On March 15, when I asked him a question, he used the same tone to respond to my question about the preferential treatment accorded to the inmate that I had mentioned earlier. In that case he stated, "I do not see anyone asking for something specific to be

dealt with. I do not agree with the Member that she is the sole spokesperson for what the public thinks should be done in any case."

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On March 22, he was at it again, Mr. Speaker. That day he tried to tell you, and I quote, "I do not mind answering questions in this House, but I do not like being interrupted by the Member because on record it gives the impression that I am not answering the question, or that I sit down in the middle of answering the question. There is no recording of the cat calling and the bits of petty abuse that the Member..." and then, thankfully, you cut him off at that point, Mr. Speaker. You made a good ruling.

Here is another instance. On March 26, just last Friday, I tried to clarify the confusion that he had generated about his decision to alter well operating programs at the River Ridge young offenders facility. He carried on. "The Member continues to interrupt and I think her constituents would probably ask her to be polite and listen when she asks a question, so she can get a good response. I would suggest that she try to pick up a good habit." Mr. Speaker, when I went home that weekend, my constituents said, "Whether he likes it or not, you listen to us, that is why we support you. You are a good listener and he should remember that." However, he should not make those types of comments in this House.

I think, why does he feel he is so special that he can tell other Members whether they are speaking for public concerns in their constituency? Why does he decide he is going to sit down in the middle of answering a question? Mr. Speaker, these Ministers are paid a salary that far exceeds what many of our constituents could dream of making. He is paid that salary because he is supposed to answer those questions that I pose to him, not to get what we call "cheeky." How dare he tell me that my constituents want me to pick up a habit of being quiet. I know what my constituents want of me. They know I am outspoken, that is probably why they vote for me. When they see poorly researched ministerial decisions, they want to know why.

I recall the same Minister getting himself into trouble and he had to withdraw inflammatory remarks directed to my honourable colleague for Mackenzie Delta before he went on the Cabinet. That happened when he did exactly the same thing. He presumed to tell the honourable Member for Mackenzie Delta

about his performance in representing his constituency on Gwich'in land claims issues.

Mr. Speaker, there is nothing special about that Minister, but he has no authority to go around commenting on other Members' comments, whether they are speaking for their constituents or not. I hope he heeds my remarks because otherwise he will continue to place an impediment on the business of this House and to effect our cohesiveness as we attempt to address our consensus style of government.

Mr. Speaker, I do not go around and say, "Look, you did not do a good job as Minister of Intergovernmental Affairs. The Charlottetown Accord is dead." I do not bring things like that to him as some of the things he has put his efforts into are wasted efforts. I feel that sometimes these Ministers have to be a little more cautious in how they address us, because I will not tolerate it.

Mr. Speaker, as I continue to consider the performance of Cabinet Members, I would like to put my view on the record, particularly to the Minister of Renewable Resources. These two Ministers are not even in the House. It is too bad because I always tell people to their face what I think of them if I do not like it. He needs to devote more attention to some of the issues that are a priority. He needs to address, for example, the dumping in the Arctic. That is critical for the people of the Arctic. When he does not address some of the concerns, particularly today, when Mr. Pudluk, in frustration, ripped up his answer, that is not good.

I will tell you that I am pleased that some progress was finally starting to take place with regard to the finalization of the trans-boundary water quality agreement. I believe he should be commended for that. However, I hope that I will have an opportunity during the fall session to more carefully review exactly what steps have been taken and precisely what has been accomplished by the Minister and his department in that area.

I also want to note for the record that at times I have been disappointed with my good friend and what I observe as a growing defensiveness and a chauvinistic attitude of Mr. Morin. It is obvious, Mr. Speaker, by his actions earlier this session that Mr. Morin cannot take criticism as a Minister. Particularly, when it comes from a woman. We are good friends and he always tells me, "Women should always stay at home. Women should always walk two steps

behind me." That is the type of attitude he has. I have to straighten him out.

I was really saddened by the defensive approach he took when I criticized him, he could not take the heat. He came back yelling abuse. The problem I have at times, Mr. Speaker, and I admit it, I am too candid. People cannot deal with candidness.

Mr. Speaker, to the Government Leader, the Honourable Nellie Cournoyea, I would say that I, and my constituents, appreciate the hard work and the ongoing commitment that she has demonstrated to the people and to the Government of the Northwest Territories. Sometimes I am simply amazed at the Premier's capacity to work long hours and get things finished. In most cases, I have noticed that she is able to motivate the same level of commitment and energy from the people around her. I want to tell the Government Leader that she is making a difference and to keep up the good work, I appreciate it.

---Applause

There have been so many times, Mr. Speaker, that I am grateful that she was chosen as Government Leader. I would like to encourage her to give advice to her Cabinet Members to improve in some areas. It has to do with their performance in responding to oral questions in the House. I would like to ask the Government Leader to tell the Ministers to read their briefing materials before session. They should read the briefing notes which their departments prepare, and not try to look through them when we are asking the questions. Too often, Mr. Speaker, ordinary Members come in this House with well prepared questions and issues which are important to our constituencies. My constituents ask me when I go home, "Why is there such a long time when Members ask question before a Minister answers. There is a really long pause before it comes back on the radio, why is that?" I have to tell them, they are trying to find the answer in their briefing notes and they cannot locate their briefing notes quickly. Sometimes they

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are thinking of the answer, but most of the time they are looking for the answer in their briefing notes. If they were to read their briefing notes prior to coming into the House, they probably would be able to remember the answer and tell it to us.

What is extremely frustrating, is when the current issues of the communities are unable to be answered



and they take the questions as notice. Sometimes it is disappointing when they say they will discuss this with the Member outside of the House, or that they will send a letter to the Member about this. Today, I received a letter from Mr. Kakfwi, employment while on leave, about Mr. DuPerron who has been working with this government, not even two years, and he received leave without pay. A privilege which many people were denied. Mr. Speaker, if Members wished to deal with the issue privately they would never ask the question in the first place, they would not bring it into this House. Many issues I want dealt with, I go directly to the Minister, and leave the issue out of the House. However, some times they take the reply, I will look into it and get back to the Member, and some times they forget about it.

Mr. Speaker, in the first session of the 12th Assembly there were a total of 175 questions posed to the government, 41 questions were taken as notice. I figure that out to be about 23 per cent of questions which were taken as notice. During the second session there was a total of 922 questions, 139 of those questions were taken as notice. That was about 13 per cent. Up to March 30 in the third session there is a total of 652 questions, 77 questions have been taken as notice. That is about 11 per cent. There is no doubt there has been some improvement in our Cabinet's performance. Mr. Speaker, they should set a goal one every five to ten questions, they should be able to answer. I know if they come in better briefed, if they read their briefing notes, to take their responsibilities for providing information in question period, they probably could all stand up and not take any as notice. The Cabinet Members are fairly smart. That is why we chose them. Those are my comments about the Cabinet, Mr. Speaker.

Mr. Speaker, in reviewing the work which has been done in the House, I have noted that a new and more readable form has been developed for unedited Hansard. I have also noted that an index is provided in the front of each day's unedited Hansard, and I think that is positive. It is a very positive development. However, I must say that I have been approached by constituents questioning why it takes so long for edited Hansard to be completed and distributed to the communities. I tell them that we have just got a new company to do Hansard, give them time. We will be observing that, Mr. Speaker. I am sure they will be encouraged to try to get the edited Hansard out to the communities. Our constituents are only able to listen to one hour on the

radio and they do not have other mechanisms to see what is going on in this House.

Mr. Speaker, one of the reasons that I have made such serious comments about the performance of this government was because I hope it will be able to put itself in a position to face the many pressing challenges ahead. The report of the Bourque commission, which was titled Working Towards a Common Future, was worth noting. I believe that we are going to need to work closely together if we are ever going to cope with the unprecedented changes that will be taking place in the Northwest Territories. I would like to comment further on some aspects of the constitutional challenges that will face us. I want to say that I have always been on the record as opposing the concept of guaranteed representation. As I look into the future for the western territory there is still no doubt that aboriginal people will form a minority within the expected population of 13,000. We have to ensure that the native home land is protected and that the rights of aboriginal people are guaranteed. I very much agree with the comments made by my honourable colleague from Nahendeh yesterday with regard to the need for community involvement and consultation in the constitutional process. I also think it is very critical that we somehow address the need to work towards a common future on a common footing.

Mr. Speaker, there have been too many injustices in the past. There has been too much of a history of exploitation of the people, of the land, of the resources, to overlook the need for adequate aboriginal representation within any government structure. If you look at Treaty 8 and the different treaties you will know that many of the historic commitments made by the Crown have not been fulfilled today. As native people, Mr. Speaker, this is our home land, other people are here to visit us and they want to make this their home, and we welcome them, they want to share our home land. We, as native people, have always embraced in a sharing culture. We have no problem with that. We have grown up with that concept. It is always a fundamental principle that we have grown up with, you learn to share. I certainly feel that if this Legislative Assembly is going to develop a constitution which is going to work towards a common future, one of the elements is to share the land. However, Mr. Speaker, until the claims for the native people of the north are settled, I am now of the opinion that it is vital that the concept of guaranteed

representation be considered when we develop our western territorial constitution.

From our past experiences with sharing this land with non-native people, aboriginal people know that their culture can at times become easily oriented towards exploitation. I think we interpret this as greed. We only need to look at what has happened with respect to mining development. Since the diamonds have been discovered, all the exploration permits have been issued. There is no doubt that many of them have been issued to non-native people. In fact, permits have been issued to up to 40 million acres in regard to diamond exploration, to date. That is a great deal of land.

We use the land to provide us with resources to live from, for harvesting and spiritual purposes, not to exploit it for what we need. Therefore, Mr. Speaker, even though I have always been on the record opposing guaranteed representation, I now believe that the new western Arctic constitution will need some mechanism for ensuring that appropriate aboriginal representation, by that I mean aboriginal representation is in place within the system of government.

Mr. Speaker, I want to at this point in time thank a few people, particular in my constituency. I want to give my thanks to the past Reverend Dexter who is no longer the reverend for the Anglican church, but is still a resident of our community who has put Fort Smith on the map on many different occasions for all the work he has given and devoted to the Anglican church in Fort Smith.

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I want to thank the band for the continual support they give me. The Metis local for their continual support. I want to thank the town councillors who give me continual support, sometimes my mayor has a different opinion but I know the town council supports me. I particularly want to thank my staff in Fort Smith. I also want to thank the Clerk of the House for all the help he gives MLAs.

---Applause

I thank him for the past ten years of service and I wish him another ten years, at least. He probably could endure more, though, because we are pretty good to him.

Mr. Speaker, I want to thank the Law Clerk for the assistance she gives me when I need it, and the research staff for their assistance. They work long hours and they work hard.

Mr. Speaker, just a remark about my constituency accomplishments. The one accomplishment that I have been most pleased and happiest about this year, as you know Mr. Speaker, the people of Fort Smith were distressed to learn that our local banking access would end in June when the Canadian Imperial Bank of Commerce was scheduled to close their doors. I want to thank the Bank of Montreal for listening to our concerns and for agreeing to open full service banking operations in Fort Smith within the very near future.

---Applause

I feel very proud of that accomplishment because I had to tell my constituents who wanted to go to negotiate with the Bank of Commerce to settle for lesser services, no. When you believe in what you are doing you do not settle for less. I told them that evening, and I got negative press for it saying I scolded my constituents because I believe they should not settle for second best. I said they deserve full banking institutions. We got together as community leaders, the chief, the Metis president, the mayor, the chamber of commerce, and convinced them that we should not have to settle for less. I said all the head offices for banking, financial institutions are in Toronto, we have to make our way there. We have to pitch in and tell them we need a bank for our community. We are not going to step backwards as a community, we have to go forward. That is what we did. We convinced them and now they are coming to Fort Smith.

---Applause

Mr. Speaker, believe it or not, that just about concludes my reply. I have to give thanks, as I said, to the staff of the Assembly, to my constituents in Smith, and even sometimes when the media does not give us proper news stories, at least what news they do get out they make an effort to get it out to the people. I certainly hope they can pick up and give more informative news to the people of the north.

On behalf of my family and myself, I hope each Member has a very happy, productive, and most importantly, a very healthy, summer. Mr. Speaker, I look forward to seeing all Members again and yourself

in November once we depart from Fort Providence.  
Thank you.

---Applause

**MR. SPEAKER:**

Thank you, Mrs. Marie-Jewell. Item 8, replies to opening address.

---Laughter

Item 9, petitions. Item 10, reports of standing and special committees. Mr. Antoine.

#### ITEM 10: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 20-12(3): Standing Committee On Finance Report On Bill 27, Payroll Tax Act And Bill 26, An Act To Amend The Income Tax Act, No. 2

**MR. ANTOINE:**

Thank you, Mr. Speaker. The Standing Committee on Finance, in accordance with its terms of reference, is pleased to submit its report on the review of Bill 26, An Act to Amend the Income Tax Act, No. 2, and Bill 27, Payroll Tax Act, 1993.

#### Background

Mr. Speaker, the Standing committee on Finance met in Yellowknife on five occasions in February, 1993, to consider the first Tabled Document 21-12(3): Payroll Tax Act. At that time, the committee consulted with the Minister of Finance and reviewed written submissions from the public who were invited to provide input. The committee also employed the services of a taxation specialist, Mr. William P. Daye, CA, to undertake a detailed review of the draft legislation with the Department of Finance.

The Standing Committee completed its initial review and tabled its report on February 18, 1993. The committee supported the principle and the objective of the policy initiative. However, the review raised a number of concerns, many of which related to the means of implementing this tax. As a result, the Standing Committee on Finance concluded that it could not recommend passage of the Payroll Tax Act in its present form.

The Minister of Finance undertook public consultation, redrafted the proposed legislation and tabled the following documents:

- Tabled Document 101-12(3), tabled on March 17, 1993 - Proposed Bill, Payroll Tax Act, 1993

- Tabled Document 102-12(3), tabled on March 17, 1993 - Proposed Bill, An Act to Amend the Income Tax Act, No. 2

- Tabled Document 104-12(3), tabled on March 19, 1993 - Summary of Proposed Regulations for Payroll Tax Implementation.

The proposed Payroll Tax Act was revised and on March 31, 1993, two bills received first reading. These are as follows:

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- Bill 26, An Act to Amend the Income Tax Act, No. 2

- Bill 27, Payroll Tax Act, 1993

#### Implementation Process

The Standing Committee on Finance is distressed by the process used by the government in attempting to implement the Payroll Tax Act. In the first place, the Minister of Finance failed to respond to the standing committee's report of February 18, 1993 in a timely fashion. Secondly, the government did not take the committee's suggestions regarding legislative process seriously. These actions defeated the purpose of the committee process and result in a situation whereby Members of the Legislative Assembly have been essentially presented with a last minutes ultimatum.

The third factor which concerned the standing committee was the fact that the public consultation process undertaken by the government has been too rushed. The committee noted, for example, that the government did not advertise in the newspaper widely circulated in the Inuvik region, the South Slave and the eastern Arctic. Finally, the Standing Committee on Finance feels strongly that the government has not allowed enough time for this important legislation to be properly considered in the Legislative Assembly. The committee is distressed by the possibility that important considerations have been overlooked, in the government's haste to implement the Payroll Tax Act by the initially established target date of July 1, 1993.

#### Purpose Of The Review

The purpose of the Standing Committee on Finance review of the proposed Payroll Tax Act and associated legislation and regulations is as follows:

- To assess the policy objectives of the proposed legislation;
- To determine whether the proposed legislation meets the policy objectives; and,
- To determine whether, in the context of total revenue and expenditures, the proposal presented is realistic and allows the government to fulfil its mandate.

#### Public Consultation

The Standing Committee on Finance was informed that the following actions have now been undertaken by the Government of the Northwest Territories regarding the proposed Payroll Tax Act:

- Writing to individuals and organizations, who had responded to the initial call for public input, explaining the revisions undertaken and asking for further input; and,
- Publishing a notice to the public, in the March 19, 1993 issue of Yellowknife and in the March 22, 1993 issue of News/North, inviting written submissions.

#### Revisions To The Proposed Payroll Tax Act

The revisions made to the proposed Payroll Tax Act, after its tabling on March 17 and prior to first reading on March 31, 1993, were reviewed by the standing committee's consultant and discussed with the Minister of Finance and his officials on April 1, 1993. The revisions were not substantial, rather they were required for reasons of legal or technical clarity and many were made in response to suggestions from the standing committee or the public.

For example, one set of revisions resolves a previous deficiency in the definitions of "employee" and "person." Another series of changes will provide a better method of dealing with employees who do not reside, and are employed only temporarily, in the Northwest Territories. The change will enable the establishment of a fixed amount below which temporarily employed non-residents will not be subject to the Payroll Tax Act.

Further changes clarify the anti-avoidance rules imposed and prevent employers from using service contracts with non-resident companies to avoid collecting the payroll tax from employees. A final revision resolves a previous deficiency with respect to the enforcement and collection system.

## Assessment Of The Payroll Tax Scheme

### Legislative Rationale

The Payroll Tax Act was developed in response to a need on the part of the Government of the Northwest for additional revenues. This tax is proposed as a key element of the 1993-94 fiscal framework. The government is counting on the revenue emanating from this taxation scheme to balance the budget.

The proposed Payroll Tax Act will meet its objective to obtain tax revenues from individuals who work in the Northwest Territories but who do not pay income tax here. The tax addresses the problem of leakage of potential tax dollars and will capture revenue from southern-based activities like the diamond rush and possible major transportation projects.

The Payroll Tax Act has been drafted to minimize the administrative burden for small businesses. Businesses with a total payroll of less than \$200,000 will be required to file only once a year.

Recent budgets in other Canadian jurisdictions, such as British Columbia, Saskatchewan, New Brunswick, Newfoundland and the Yukon clearly indicate the trend of increasing taxes to fight deficits. Taxes need to be increased in some form in the Northwest Territories in order to avoid falling behind. When other jurisdictions in Canada increase their tax rates, it affects the performance of the formal financing agreement with Canada. The committee recognizes the need to raise more revenue through taxation.

Some written submissions and public commentary have suggested that the implementation of one percent payroll tax could soon be followed by increases in this proportion. In this regard, the bill has been referred to by some as "the thin edge of the wedge." However, any increases to the payroll tax can

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only be done by passage of an amendment to the legislation by the Legislative Assembly.

The proposed Payroll Tax Act will not create an unnecessary burden for low income earners and those in receipt of social assistance and workers' compensation. The tax will be accompanied by a tax credit through which northern residents whose incomes are less than \$55,000 per annum will receive a rebate that equals or exceeds the tax paid.

One of the little understood aspects of the proposed taxation scheme is the tax credit which would accompany the payroll tax. The tax credit will be administered by the federal government through the proposed amendment to the Income Tax Act. Attachment one, prepared by the Department of Finance, illustrates the total impact of the payroll tax and the tax credit.

#### Committee Concerns

The Standing Committee on Finance recognizes that there will be difficulties with any taxation proposal. No tax system will please everyone. The standing committee, in its review, has noted a number of difficulties associated with the current proposal. These problem areas are described briefly below.

The standing committee wishes to make it clear that although one of the stated purposes of the proposed tax was to obtain tax revenues from individuals who work in the Northwest Territories, but who do not pay income tax here. It is now estimated that 70 to 80 percent of the revenue generated will come from residents of the Northwest Territories. This fact has generated some negative reaction to the tax among northerners.

By the time the proposed tax changes are fully implemented in 1995-96, it is projected that annual net revenues of approximately \$1.6 million will be generated. In addition, approximately one per cent of this revenue will be absorbed by administration costs. These administrative costs do not include the costs which will be borne by employers to collect, remit and comply with the proposed Payroll Tax Act. The employers' cost is a hidden cost but it has potential to be quite significant. The committee has concluded that as a means of raising revenue, the Payroll Tax Act is too complex in relation to its revenue potential.

Taxation schemes, once implemented, tend to remain in place for a very long time. With this in mind, taxation schemes need to be well thought out and very carefully constructed. The Standing Committee on Finance is of the opinion that the necessary care and consideration has not been given to the development of the proposed payroll tax scheme. In addition, the committee is fearful that the government, once having implemented the payroll tax, will succumb to the ever-present and all too easy temptation to generate additional revenue by means of increasing the rate of taxation.

The standing committee is troubled by the fact that, under the present proposal, there are some classes of taxpayers who will receive a rebate even though they do not pay the payroll tax initially. This class of taxpayer is comprised of self-employed individuals. The Minister of Finance informed the committee that he believed that this class of taxpayer was relatively small. He indicated that attempts were made to alleviate this difficulty but that these attempts have been so far unsuccessful. He undertook to continue to search for ways to ensure that self-employed individuals, who are exempt from paying the payroll tax, will not receive a rebate.

#### Conclusion

The Standing Committee on Finance has met, initially on March 15, and again on four separate occasions on April 1 and 2, 1993, to fulfil its responsibility to carefully review the proposed legislation put before it. Several very real concerns emerged from these deliberations and these concerns are duly reported in this document.

The Standing Committee on Finance has worked very hard to ensure that this proposed legislation is as effective as it can be in achieving the fiscal policy objectives of the Government of the Northwest Territories. The committee feels that the proposed legislation has been improved immeasurably as a direct result of these efforts. However, the committee feels that these efforts have been hampered by the haste in which the government has attempted to implement the Payroll Tax Act.

The Standing Committee on Finance has completed its review and assessment of the proposed Payroll Tax Act and the Act to Amend the Income Tax Act, No. 2, within the confines of the limited time allocated.

#### Recommendations

The Standing Committee on Finance agrees that there is a need for the government to raise more tax revenues. The alternative to the payroll tax is either a further increase in personal taxes or an increase in the business tax. Given the alternatives, the committee believes that the implementation of a new tax, the payroll tax, may be the best alternative. On the basis of agreement with this rationale, some Members feel that Bills 26 and 27 are now ready to proceed.

However, other Members of the committee were outraged with the very flawed process of consultation

with the Standing Committee on Finance and Members of the Legislative Assembly. The Minister did not act in a timely manner to deal with the initial Standing Committee on Finance recommendations so that Members would have a reasonable amount of time to consider the revised bill before today, nor has he communicated how the payroll tax and the tax credit will work to those Members who are not Members of the Standing Committee on Finance. For these reasons, some Members felt strongly that Bills 26 and 27 are not ready for passage at this time.

Therefore, this committee recommends:

**Recommendation 1**

That the following bills be moved into committee of the whole for further consideration. Bill 26, An Act to Amend the Income Tax Act, No. 2, and Bill 27, Payroll Tax Act, 1993.

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**Recommendation 2**

The committee recommends that the government continue to investigate ways and means to ensure that self-employed individuals, who are exempt from paying the payroll tax, will not receive a rebate.

**Motion To Accept And Move Committee Report 20-12(3) To Committee Of The Whole**

Mr. Speaker, that concludes the report of the Standing Committee on Finance, therefore I move, seconded by the honourable Member for North Slave, that the report of the Standing Committee on Finance on Bill 27, Payroll Tax Act, 1993, be received by the Assembly and moved into committee of the whole as the first item of business for today.

**MR. SPEAKER:**

Your motion is in order, Mr. Antoine. To the motion.

**SOME HON. MEMBERS:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

The report will be put into committee of the whole today.

Item 10, reports of standing and special committees.  
Item 11, reports of committees on the review of bills.  
Mr. Antoine.

**ITEM 11: REPORTS OF COMMITTEES ON THE REVIEW OF BILLS**

**Report On Bills 26 and 27**

**MR. ANTOINE:**

Reports of committees on the review of bills, Mr. Speaker. I wish to report to the Assembly that the Standing Committee on Finance has reviewed Bills 26 and 27 and wishes to report that Bills 26 and 27 are now ready for committee of the whole. Mahsi.

**MR. SPEAKER:**

Thank you, Mr. Antoine. Pursuant to rule 66(3), Bills 26 and 27 are ordered into committee of the whole. Mr. Pollard.

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. I seek unanimous consent to waive rule 66(5) and have Bills 26 and 27 moved into committee of the whole for today. Thank you, Mr. Speaker.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Bills 26 and 27 will be moved into committee of the whole today. Item 12, tabling of documents. Mr. Todd.

**ITEM 12: TABLING OF DOCUMENTS**

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I wish to table the following document: Tabled Document 145-12(3), legislative action paper, the Workers' Compensation Act, March, 1993.

I wish to table the following document. Tabled Document 146-12(3), return to Oral Question 49-12(3), WCB policy changes to acquire information.

I wish to table the following document. Tabled Document 147-12(3), return to Oral Question 104-12(3), dollars provided for safety education.

**MR. SPEAKER:**

Thank you, Mr. Todd. Item 12, tabling of documents. Ms. Cournoyea.

**HON. NELLIE COURNOYEA:**

Mr. Speaker, I wish to table a document on behalf of the Honourable Don Morin. I wish to table Tabled Document 148-12(3), response to Committee Motion 64-12(3) on the recommendations contained in the report of the Standing Committee on Agencies, Boards and Commissions on the proposed elimination of the Northwest Territories Housing Corporation board of directors. Thank you.

**MR. SPEAKER:**

Thank you, Ms. Cournoyea. Item 12, tabling of documents. Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. I wish to table the following document. Tabled Document 149-12(3), return to Oral Question 539-12(3), plans for expansion of classrooms in Coral Harbour. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Nerysoo. Item 12, tabling of documents. Mr. Ningark.

**MR. NINGARK:**

Thank you, Mr. Speaker. I wish to table three documents. Tabled Document 150-12(3), a letter written to me from Mr. Terry Sieffert of Taloyoak concerning the GNWT housing strategy.

Tabled Document 151-12(3), a copy of a letter from Mr. Terry Sieffert written to Peter VanLindenberg, superintendent of Government Services and Public Works, regarding the same issue.

Mr. Speaker, I wish to table Tabled Document 152-12(3), a reply from Mr. Peter VanLindenberg to Mr. Terry Sieffert regarding the GNWT staff housing strategy. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Ningark. Item 12, tabling of documents. Mr. Patterson.

**MR. PATTERSON:**

Thank you, Mr. Speaker. I wish to table Tabled Document 153-12(3), an article from March 24, 1993, issue of the Globe & Mail, titled Nuclear Waste Dumped at Sea, Russia Confirms. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Patterson. Item 12, tabling of documents. Pursuant to section 30 of the Northwest Territories Act, I would like to table Tabled Document 154-12(3), report of the Auditor General to the Legislative Assembly for the year ended March 31, 1992 on other matters. Item 12, tabling of documents. Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. I would like to seek unanimous consent to return to Item 2, Ministers' statements.

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**MR. SPEAKER:**

The honourable Member is seeking unanimous consent to return to Item 2, Ministers' statements. Are there any nays? There are no nays. Please proceed, Mr. Nerysoo.

**REVERT BACK TO ITEM 2: MINISTERS' STATEMENTS**

Minister's Statement 88-12(3): Changes To Student Financial Assistance Program

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker, and honourable Members. Mr. Speaker, the number of NWT students attending post-secondary institutions has increased by about 30 per cent over the past five years. Since most of these students are eligible for student financial assistance this increase has put pressure on the student financial assistance program.

To administer this program more effectively and to ensure we have the resources to help as many students as possible, revisions have been made to the student financial assistance regulations which have been implemented for the fall semester of this year.

Deadlines will be set for post-secondary students applying for assistance. Students planning to attend

schools starting in the fall semester must submit their applications before June 15.

Students wishing to attend classes in the winter semester must apply for assistance before October 15. The students whose programs would start in the 1994 spring inter-session must apply before February 15, 1994. Students who apply after these deadlines will not receive funding for that semester and will have to reapply for funding for the following terms.

Revisions have also been made to the rate structure of student allowances so that they are consistent with rates paid by the Department of Indian Affairs and Northern Development to aboriginal post-secondary students in the rest of Canada. I would like to note, Mr. Speaker, that the Northwest Territories student financial assistance program is one of the most generous in Canada and will remain so after these changes are introduced.

A basic grant is available to people who attended school in the Northwest Territories for at least three years, plus supplementary grants are available also to aboriginal people born in the Northwest Territories.

Primary and secondary loans are available to people who have lived in the Northwest Territories for at least three years and a needs assessed loan is available for one year of residence and for students facing financial hardship.

A student financial assistance program also offers scholarships for academic excellence and post-secondary. There are currently 1,160 Northwest Territories residents attending college or university with the assistance of this program.

The Department responsible for Education, Culture and Employment Programs will be informing students of the upcoming changes. Students and parents with questions on the new rate structure are encouraged to contact the advanced education office located in the region or call the student services division of my department for more information.

Mr. Speaker, I would like to add that these changes were, in fact, given notice to this Assembly approximately one year ago.

Motion To Move Minister's Statement 88-12(3): To Committee Of The Whole

Mr. Speaker, if I might move, seconded by the honourable Member for Keewatin Central that this

Minister's statement be moved into committee of the whole for consideration.

**MR. SPEAKER:**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Minister's Statement 88-12(3), will be moved into committee of the whole today. Item 2, Ministers' statements. If none, we will return to Item 13, notices of motion. Mr. Lewis.

ITEM 13: NOTICES OF MOTION

Motion 34-12(3): Appointment Of Alternate Members To The Special Committee On Health And Social Services

**MR. LEWIS:**

Mr. Speaker, I give notice that on Monday, April 5, 1993, I will move the following motion. Now therefore I move, seconded by the honourable for Kivallivik, that notwithstanding rule 89(2), that Mr. Pudluk and Mr. Whitford, be appointed as alternate Members of the Special Committee on Health and Social Service. Mr. Speaker, at the appropriate time I will be seeking unanimous consent to proceed with my motion today.

**MR. SPEAKER:**

Thank you, Mr. Lewis. Item 13, notices of motion. Mr. Todd.

Motion 35-12(3): Legislative Action Paper On Workers' Compensation Act To Standing Committee On Legislation

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I give notice that on Monday, April 5, 1993, I shall move the following motion. Now therefore I move, seconded by the honourable Member for Mackenzie Delta that Tabled Document 145-12(3), the Legislative Action Paper on the Workers' Compensation Act be referred to the



Standing Committee on Legislation for review. Mr. Speaker, at the appropriate time today I will seeking unanimous consent to deal with the motion.

**MR. SPEAKER:**

Thank you, Mr. Todd. Item 13, notices of motion. Mr. Dent.

Motion 36-12(3): Tabled Documents 133-12(3) And 134-12(3) To Committee Of The Whole

**MR. DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Monday, April 5, 1993, I will move the following motion. I move, seconded by the honourable Member for

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Inuvik, that Tabled Document 133-12(3), Evaluation of the Financial Operations of the Expo '92 Revolving Fund and Tabled Document 134-12(3), Aurorales Expo '92 Revolving Fund Account Balance Sheet, March 19, 1993 be moved into committee of the whole for consideration. Mr. Speaker, at the appropriate time I will be seeking unanimous consent to deal with my motion today.

**MR. SPEAKER:**

Thank you, Mr. Dent. Item 13, notices of motion. Item 14, notices of motion for first reading of bills. Item 15, motions; Motion 31-12(3), Proposed Amendments to Maintenance Act and Domestic Relations Act referred to the Standing Committee on Legislation. Mr. Kakfwi.

**ITEM 15: MOTIONS**

Motion 31-12(3): Proposed Amendments To Maintenance Act And Domestic Relations Act Referred To The Standing Committee On Legislation

**HON. STEPHEN KAKFWI:**

Mr. Speaker, WHEREAS, proposed bills to amend the Maintenance Act and Domestic Relations Act have been tabled in this House;

AND WHEREAS, this session of the Legislative Assembly is due to prorogue when the business is concluded;

AND WHEREAS, it is important to permit public discussion on the proposed amendments to the Maintenance Act and the Domestic Relations Act;

NOW THEREFORE I MOVE, seconded by the honourable Member for Nunakput that Tabled Document 131-12(3), Proposed Bill An Act to Amend the Maintenance Act, and Tabled Document 132-12(3), Proposed Bill An Act to Amend the Domestic Relations Act, be referred to the Standing Committee on Legislation for review.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Item 15, motions. Mr. Kakfwi.

**HON. STEPHEN KAKFWI:**

Mr. Speaker, I seek unanimous consent to deal with Motion 32-12(3).

**MR. SPEAKER:**

Mr. Kakfwi, can you provide us with the title of that motion.

**HON. STEPHEN KAKFWI:**

Proposed bill, titled Personal Property Security Act.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Kakfwi.

Motion 32-12(3): Proposed Bill, Personal Property Security Act

**HON. STEPHEN KAKFWI:**

WHEREAS, the proposed bill titled Personal Property Security Act has been tabled in this House;

AND WHEREAS, this session of the Legislative Assembly is due to prorogue when the business is concluded;

AND WHEREAS, it is important to permit public discussion on the proposed Personal Property Security Act;

NOW THEREFORE I MOVE, seconded by the honourable Member for Nunakput that Tabled Document 142-12(3), Proposed Bill, Personal Property Security Act, be referred to the Standing Committee on Legislation for review.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Item 15, motions. Mr. Allooloo.

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to deal with Motion 33-12(3), Cities, Towns and Villages Act, Hamlets Act, the Charter Communities Act, referred to Standing Committee on Legislation.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Allooloo.

Motion 33-12(3): Cities, Towns And Villages Act, Hamlets Act, And Charter Communities Act Referred To The Standing Committee On Legislation

**HON. TITUS ALLOOLOO:**

Thank you, Mr. Speaker. Thank you, colleagues.

WHEREAS a proposed bill to amend the Cities, Town and Villages Act, the Hamlets Act and the Charter Communities Act have been tabled in this House;

AND WHEREAS this session of the Legislative Assembly is due to prorogue when the business is concluded;

AND WHEREAS it is important to permit public discussion on the proposed Cities, Towns and Villages Act, the Hamlets Act and the Charter Communities Act;

THEREFORE I MOVE, seconded by the Honourable Member for Nunakput, that Tabled Document 137-12(3), Proposed Bill, An Act to Amend Cities, Towns and Villages Act and Tabled Document 138-12(3), the Hamlets Act and Tabled Document 139-12(3), the Charter Communities Act be referred to the Standing Committee on Legislation for review. Thank you.

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**MR. SPEAKER:**

Thank you, Mr. Allooloo. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Item 15, motions. Mr. Lewis.

**MR. LEWIS:**

Thank you, Mr. Speaker. I seek unanimous consent to deal with my motion on the appointment of alternate Members to the Special Committee on Health and Social Services.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Lewis.

Motion 34-12(3): Appointment Of Alternate Members To The Special Committee On Health And Social Services

**MR. LEWIS:**

Thank you, Mr. Speaker.

WHEREAS Motion 19-12(3) approved the appointment of two Members as alternate Members to the Special Committee on Health and Social Services;

AND WHEREAS it is desirable to name these Members;

NOW THEREFORE I MOVE, seconded by the Honourable Member for Kivallivik that, notwithstanding rule 89(2), that Mr. Pudluk and Mr. Whitford be appointed as alternate Members of the Special Committee on Health and Social Services.

**MR. SPEAKER:**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

---Applause

Item 15, motions. Mr. Todd.

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to deal with my motion regarding the Workers' Compensation Act legislative action paper.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Todd.

Motion 35-12(3): Legislative Action Paper On Workers' Compensation Act To Standing Committee On Legislation

**HON. JOHN TODD:**

Thank you, Mr. Speaker.

WHEREAS a legislative action paper on the Workers' Compensation Act has been tabled in this House;

AND WHEREAS this session of the Legislative Assembly is due to prorogue when the business is concluded;

AND WHEREAS it is important to permit public discussion on the legislative action paper;

THEREFORE I MOVE, seconded by the Honourable Member for Mackenzie Delta, that Tabled Document 145-12(3), Legislative Action Paper on the Workers' Compensation Act, be referred to the Standing Committee on Legislation for review.

**MR. SPEAKER:**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Item 15, motions. Mr. Dent.

**MR. DENT:**

Thank you, Mr. Speaker. I seek unanimous consent to proceed with my motion regarding Tabled Documents 133-12(3) and 134-12(3) today.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Dent.

Motion 36-12(3): Tabled Documents 133-12(3) And 134-12(3) To Committee Of The Whole

**MR. DENT:**

Thank you, Mr. Speaker.

I MOVE, seconded by the Honourable Member for Inuvik that Tabled Document 133-12(3), titled Evaluation of the Financial Operations of the Expo '92 Revolving Fund, and Tabled Document 134-12(3) titled, Aurorales Expo '92 Revolving Fund Account Balance Sheet, March 19, 1993, be moved into committee of the whole for consideration.

**MR. SPEAKER:**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Tabled Document 133-12(3) and 134-12(3) will be moved into committee of the whole today. Item 15, motions. Item 16, first reading of bills. Item 17, second reading of bills. Item 18, consideration in committee of the whole of bills and other matters -- Mr. Clerk, you listen closely to make sure I have all of this down -- Committee Report 20-12(3), Standing Committee on Finance Report on Bill 27, Payroll Tax Act, 1993, and Bill 26, An Act to Amend the Income Tax Act, No. 2; Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality; Tabled Document 19-

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12(3), 1992 Master Plan for Corrections Service Division; Committee Report 10-12(3), Report on Tabled Document 21-12(3): Payroll Tax Act; Tabled Document 133-12(3), Evaluation of the Financial Operations of the Expo '92 Revolving Fund; Tabled Document 134-12(3), Aurorales Expo '92 Revolving Fund Account Balance Sheet, March 19, 1993; Bill 26, An Act to Amend the Income Tax Act, No. 2; Bill 27, Payroll Tax Act, 1993, and Minister's Statement 88-12(3), Changes to Student Financial Assistance Program, with Mr. Ningark in the chair. Yesterday, I said we would continue until we completed for the day so that the committee of the whole can continue until they report themselves out. Today, we will continue until we have decided that we have concluded our business for today. Thank you.

ITEM 18: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

**CHAIRMAN (Mr. Ningark):**

Prior to discussing Committee Report 20-12(3) and prior to opening the floor for the committee members' general comments, we will take a five minute break. Thank you.

---SHORT RECESS

**CHAIRMAN (Mr. Ningark):**

I would like to call the committee back to order. We will be discussing Committee Report 20-12(3). Do we have any general comments from the floor? Mr. Antoine, the honourable Member for Nahendeh.

**MR. ANTOINE:**

(Microphone turned off)

Committee Report 20-12(3): Standing Committee On Finance Report On Bill 27, Payroll Tax Act And Bill 26, An Act To Amend The Income Tax Act, No. 2

**CHAIRMAN (Mr. Ningark):**

Mr. Antoine, I believe Mr. Lewis wants to speak to that. Mr. Lewis.

**MR. LEWIS:**

Thank you, Mr. Chairman. I served on the Standing Committee on Finance for four years, so I did my penance. For the last year and a half I have not been as close to the work of the Standing Committee on Finance as I was previously. There comes a time when major issues come up that make a Member feel they should get a little bit closer to where things are going on because I found that in all the discussions surrounding the proposed payroll tax, I was getting mixed messages from various members of the committee. It was very unclear to me as to what the issues were that had to be resolved. I remember when we first discussed this act I described it as an elephant trap that was designed to catch something much bigger than a mosquito. It is a very complex proposal that has been made by the Minister of Finance. When I heard that there was uncertainty about this particular bill, I decided to sit in with the Standing Committee on Finance on several occasions over the last several days to see what was the nature of their deliberations so I could have a clear understanding of what the outstanding issues were. I feel badly that, on what may be the very last day of this session, we are now faced with dealing with a very complex bill, 53 pages long, I believe, and more than 70 clauses, many of them of a very complex nature. I have had letters of all kinds from the public, as have many other Members, asking us to vote against this bill. It is very difficult to pass any kind of tax measure in our kind of Assembly because we do not have a party system and we do not have the kind of discipline which says this is our mandate, this is

what we are committed to deliver, this is the amount of money we need and therefore we have to raise the amount of taxes by this amount. We are all individuals and we have to look at the nature of the problem and make our decisions accordingly. Having spent these few days with the Standing Committee on Finance, it was very clear that this was a different kind of a bill than we have ever had to deal with before.

I have always been interested, Mr. Chairman, in innovative, new ways of doing things. Is there something different that we could do? I found the bill attractive at the very beginning because what it tried to do was to find a way of getting those people that do not live here but who make their living here, who make money here from our resources and then fly off. They are non-unionized people, by the way, nearly every one of them. They fly off back to some place they have in the south and they do not contribute anything to our economy other than the fact that they labour. They spend their money somewhere else. They do not even spend it here. I was intrigued by this proposal and thought that if we can pull it off in a reasonable fashion I am going to support it because it makes sense that we should try to do that. However, we found that because of the way our country is constituted that if you are going to nail those people from the south you have to nail everybody. This tax provides a one per cent tax on everybody in the Northwest Territories.

However, what the public does not know is that accompanying this is another piece of legislation which gives the money back. The people in the south do not get anything back but the people in the Northwest Territories get money back. In fact, many of them get more money back than what they would have had taken away from them under the payroll tax, and these are the poorer people, not the rich people but the poorer people. The richer people are hit the hardest. I would have thought that the Federation of Labour would have realized that the rich people are going to be hit by this tax and the poor people are going to benefit from it. For that reason I shall be supporting the bill when it comes into this House later on today.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Lewis. Any further general comments from the committee? Mr. Koe.

**MR. KOE:**

Thank you. I, too, am not a member of the Standing Committee on Finance but took the liberty of attending most of their sessions when this bill was on their agenda and so had the benefit of listening to the explanations from the experts and the deliberations from the Standing Committee on Finance members when they were discussing the issue. When this bill was first introduced I had a lot of reservations about its technical aspects and administrative aspects, and today I still have some, though not as many, because in the first S.C.O.F. report they ask for certain modifications and raise certain issues and some of the adjustments were made. However, I fully support many of the statements that are made in today's Standing Committee on Finance report. I really feel that much more consultation could have been done and still can be done. I saw the mailing lists for people in the second round of consultations and basically the mailing lists went out to the same people that responded during the first go-round, so a lot of people out in the

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communities and regions that did not initially respond did not get a chance to respond here.

I have a real concern that the general public is not aware of many of the details that Members of S.C.O.F. are. If I, as an ordinary Member, did not attend S.C.O.F. I too would not be as well aware as I made myself be because I attended. So I am sure other Members that are not on S.C.O.F. would have a lot of concerns and a would not understand or would have difficulty explaining to other people a lot of the technical aspects. Some I cannot explain myself, and I am no professional on this act. From all indications from most people in my constituency who I am sure we are all aware do not like taxes, and personally I do not like paying taxes but it is a fact of life, I am being basically directed to oppose this bill. Being a professional, I understand where the Minister and the government are coming from and the need to look at new ways of raising taxes.

I am supportive of the principle of the bill to tax the fly-in, fly-out labour force people who are working and do not contribute to the Northwest Territories' economy. They come in, work, make their wages and they leave. I am supportive of trying to tax them but I am not supportive, again as I mentioned in one of my statements, casting the net. This is making the net to big, so far and so wide that you haul in everything that is in its way. In this case, it is all people in the north who are earning money in some form or another from

payroll. There are some areas we are missing. We are missing self-employed people, professional people and, in a sense, the business corporate earnings.

This to me, if I understand the proposal right, could be seen as a duplicate tax on an individual because we are taxing the one per cent tax is going to be imposed on the earnings, remuneration I think is the word used, of an individual. However, the amount the individual pays cannot be deducted when you file your federal tax annually on your territorial tax form. It is not a deduction on that tax, so it is still considered as remuneration earned and you pay tax on the amount too. I know it is not much, but for high wage earners it is a double tax in my understanding.

I have to vote when it comes to the actual bill with what the directions from my constituents. I have to at this stage oppose the bill, but I would still like to see the bill in some form come back. What I would really like to see it deferred and dealt with more appropriately with more time for consultation, more work done on the bill, in November. That is what I would like to see rather than trying to ram it through in the next 12 hours of today or possibly tomorrow. When the actual bill comes to the floor I will be opposing it. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Koe. Are there any other general comments on Bill 26 and 27. Bill 27 is the Payroll Tax Act. Bill 26 is An Act to Amend the Income Tax Act. We are discussing Committee Report 20-12(3). Mr. Patterson.

**MR. PATTERSON:**

Thank you, Mr. Chairman. I would like to perhaps put this in a bit of an historical perspective, if I may. I had the privilege of being a Member of the 9th Executive Council, along with Mr. Nerysoo. He will recall that the first Minister of Finance for the Northwest Territories, the Hon. Tom Butters, attempted to develop a payroll tax at that time. Mr. Chairman, it did not surface in the Legislature because it did not get past the Cabinet discussion stage. At that time we were advised that the form of the bill proposed by Mr. Butters could not work in the Northwest Territories. I do not know all the technical reasons, but there were problems with the Government of Canada who stated flatly that they were unwilling to administer the tax credit as the scheme was structured in that proposal. In retrospect I do think it is unfortunate that the bill

was not able to proceed at that time because we missed out on receiving, as a government, a piece of the Beaufort Sea and Norman Wells pipeline action, which undoubtedly could have amounted to sizable revenues for the Government of the Northwest Territories and might have even ameliorated the financial situation that this government now faces.

I want to note for the record that it is not a new idea. Although our committee was, I think, quite properly critical of the current Minister of Finance about the flaws in the public consultation process, I think credit should be given to Mr. Pollard and his staff for having devised a scheme which is acceptable to the Government of Canada. We depend on the federal government to administer the tax rebate because they collect the tax and administer the tax, and will provide rebates to territorial residents for us. I think that is a noteworthy achievement because previous governments were unable to do so.

Mr. Chairman, I want to make a few comments. One is that I think there was some reluctance on the part of the Minister to consult widely on this matter because everyone knows that the public does not like any form of taxation. Certainly, my constituents have made that clear to me and obviously other Members have received the message.

However, I would note that the consultations which did take place, as limited as they were because of the rush, did produce some very valuable suggestions and did result in significant improvements to the bill. I am happy that a suggestion of one of my constituents, Mr. Kenn Harper who I know strongly opposes the bill, nonetheless did result in a legislative change which eliminated a flaw that he pointed out. I also think that the standing committee and its consultant did make recommendations to which the government responded which have improved the bill significantly and removed some of the irritants. I think, particularly, it is noteworthy that small businesses, although they face an administrative burden, are going to only have to file once a year. I think this will make it a little easier on small businesses. There are a number of technical changes that have eliminated some obvious early flaws.

Mr. Chairman, on the matter of consultation, I would like to say it is not too late, in my view, for the Minister to explain the bill to the public properly, even if it is passed. I think, Mr. Chairman, that one of the reasons why there is opposition, perhaps even from some Members, may be that this is a highly technical bill, it is hard to read even for lawyers and financial

experts, so it is overwhelming when you get a copy of the bill. I think there are some simple facts which have to be explained to the public, and Mr. Lewis did so. However, I would like to particularly note that if you earn under \$55,000 and you are a territorial resident, you are going to be a net gainer under this legislation. In fact, it is, I think, what we call a progressive tax

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because the lower your income is the more you will get back.

So, Mr. Chairman, it is really proper to characterize this is a burden only to those people who are in the high income bracket. As difficult as it might be, I do believe we all have to make a contribution when we are earning good incomes, to the deficit situation. I know Members of this Assembly have talked eloquently for the last number of weeks about all the pressing demands that their constituents have. I think we are very good at asking for projects and programs. We all have many priorities for our constituencies.

However, we have to acknowledge there are two realities we have to recognize in the Northwest Territories. The first one is that we are in a more much perilous financial situation than we have ever been in before, and secondly, as we see provinces increasing tax revenues with budgets that have just been brought down, our revenues will decrease under the financing formula unless we also make a tax effort. It is very hard to make a tax effort in the Northwest Territories because we have precious little room to tax our constituents. I think the business sector has been suffering with the recession and across the board income tax will hit all sectors of our constituents. So, I think that because of this difficult situation, the government has come up with a scheme, which in principle, appeals to me. Firstly because it is progressive and eases the burden on the low income people who will actually be net winners if they are lower/middle income earners. Secondly, for the first time in our history, we are actually able to tax some of that leaked money that has been, up until now, earned by residents of southern Canada who pay tax in the provinces. I think we have looked for years for a way to deal with that.

Some would say the business incentive policy is the way to deal with that problem and I agree that great strides have been made with the business incentive policy. It was local preference with northern

preference. The reality is, if we have an Izok Lake project going ahead, if we have major highway construction and, sad to say, if the diamond play continues along the lines it has followed -- I understand that Yellowknife diamond drillers have not benefited from the rush very much, except airline and supply companies -- if we have these major mega projects, business incentive policy or no business incentive policy, money is going to flow out of our economy again to the south. I do think that most territorial residents would agree that it is the right thing to try to capture some of this revenue, which this tax will do.

Let us not pretend that the southern taxpayers are the main source of revenues for this tax. The Minister has been conservative in his estimates he tells us, but the current estimate is that as much as 80 per cent of this revenue will come from territorial residents. I hope that we have some mega projects ahead of us, perhaps even beginning this summer, that will turn that around so that the payroll tax will start to generate a majority of its revenue from the southern residents. Frankly, my constituents and constituents in places like Yellowknife are likely going to bear a greater share of the burden because they are privileged to be higher income earners than the smaller communities.

I think that as Members of the Legislature, there is a time when one has to lead and one has to make difficult decisions, having regard with the fiscal situation of the government and the interests overall of the Northwest Territories and resist pressures from one's constituents to support a measure that may be difficult to sell, but may be in the overall interests of the government and of the people of the Northwest Territories.

So, Mr. Chairman, the committee's comments about consultation are strong. I do not think a committee report has been much stronger in providing criticism to the government about the method of consultation, but I guess I would say that it is not too late to remedy that. I would hope that an effort could be made by the Minister of Finance, if this bill is passed, to reach out to the people of the Northwest Territories, other than through the Yellowknife newspapers, and make an effort to explain how this tax works. The average constituent will, in fact, come out ahead in a net sense, if they file a return, and there are some people who say there are many who do not file a tax return. Unfortunately, Mr. Chairman, the new child tax credit legislation is going to require people to file an income tax return if people want to get the family allowance.

So, even our hunters, trappers and carvers and people who have not always filed income tax returns in the past, are going to have to file tax returns to get their family allowance.

This tax credit aspect of the payroll tax will be another reason for the lower income earners, and middle income earners, to file tax returns. I am not happy about this, but it is a reality and I think I will be trying to communicate this to my constituents as clearly as I can. I would like to suggest the Minister of Finance should do so as well.

Mr. Chairman, I am concerned about the burden on small business. I have heard my business constituents talk about more paper work and more hassle. I do recognize this is not going to go over well. As I said, I have concerns about the process. Mr. Chairman, on balance, and after much serious discussion which I have been privileged to participate in as a Member of the Standing Committee on Finance, I am going to support the bill.

---Applause

Although, it is not easy to do and sometimes I said to my colleagues that my attitude was sort of holding my nose and voting yes, I would like to make one comment, Mr. Chairman, that Mr. Antoine, who is our new chairman, has really had his work cut out for him in dealing with this extremely complicated piece of legislation and highly technical piece of legislation. I have not seen such a complicated one, certainly in the life of this Assembly. I would like to say that I have been extremely impressed with the balanced way he has dealt with this issue, which caused many arguments in our committee and the way he has thoroughly seen that the bill was discussed. I think if there are improvements in this bill, it certainly is very much due to the thoroughness with which he has carried on his work as chairman of the Standing Committee on Finance. Those are my comments, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Patterson. Further general comments on Committee Report 20-12(3). Mr. Antoine.

**MR. ANTOINE:**

Thank you, Mr. Chairman. As the chairman of the Standing Committee on Finance, I must say that this was a very tough bill to deal with. We took many

hours of meetings, early mornings, late in the evenings and even on the

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weekends, to deal with this situation. We have come to the point now where the committee has made a report to the House to allow it to go into committee of the whole.

My original position, which I had related to the Minister of Finance earlier on in the deliberations and discussions which went on in the discussion of the payroll tax was that, we suggested to him why do we just not table these documents at this sitting and deal with it in a public consultation process through the spring, summer and fall, and we will deal with it in the fall. The argument there is that the fiscal framework is already built, and the money this tax will generate is already worked into the budget. If we are to do that, then we will have to cut some programs and cut within. With the amount of requests, financially, to provide programs and services at the community level it is already as skimpy as can be, and there are yet more demands for more funding. The argument of the government is that. I understand that argument. I appreciate what a hard job it is to run a government and you need the funds for that. However, that is the way I would like to see it done. Unfortunately, we are here to decide to vote today, later on, on this bill.

My concern is that there is a need for proper consultation process. I feel obligated to this bill in a way because we helped to make the necessary technical changes to make it into a better bill through our recommendations and through our tax expert, the consultant we used. In that way, we feel a little bit of ownership toward this payroll tax. The problem is we are asking, the government wants to ask us to create a payroll tax to take money from the workers in the Northwest Territories, as well as the southern fly-in workers. My understanding of the percentage we are going to generate from the southern fly-in people is between 15 to 20 percent of the money that it will generate. So, the majority of the money which is going to generate from this payroll tax is from northerners.

However, the attachment to the amendment of the Income Tax Act which was given to us, indicates that the majority of the people who are poor and do not make that much money will not benefit in the end. That way it is a good tax. However, I question whether it should be in the form of the payroll tax act because what we are doing is creating another



creature and this creature is going to be there for as long as possible, I guess. The nature of the tax is that it grows every year, one per cent, two per cent, three per cent. How long is it going to? We saw that with personal income tax. Then there is the business tax and the GST as well. When the personal income tax went up in the fall session by one per cent, because it is already an existing tax structure there was not that much concern by the public. It went from 44 per cent to 45 per cent. However, the payroll tax is, like I said earlier, a new thing and the amendment to the income tax, while you get a tax rebate it is a separate act altogether, so they are not really tied together. So, I am thinking about the future and what we are creating. It is one per cent now and we are going to generate some funds. However, in the future when another batch of politicians will be sitting in our place down the line, if the payroll tax is up to four or five per cent, and maybe if they decide to take the amendment to the income tax at that time, then you have another tax infrastructure in place. Because these two acts are not tied together, that could happen. I know the Legislative Assembly will eventually have to decide, but who knows how to predict the future. I do not. I am just cautioning people in the House of what it is we are trying to do.

My concern is about the future of the people in the north. I know it has been said by the government that when you are going to consult with people about tax that everyone is going to say they do not want any more taxes. However, we have said in the beginning of this Assembly that we want to have more open government and we want to have more involvement by people in important decision making. I feel it is important, especially when you are talking about asking the people who work hard for their money to pay this one per cent. They are the ones who count. They are the ones who voted for us and we have already made a commitment to them that we are going to let them be involved in all the decision-making. We do that in programs and services but in this case it is something that people work hard for and feel they are entitled to the money they make. A government such as this has the authority to create a whole different tax body that has the authority to take their hard-earned money, and I have some difficulty with that.

You are probably wondering as a Member who sits on the Standing Committee on Finance we were in a dilemma. We could not come to a solid consensus on whether to support the bill the way it is or not. The reason for me speaking and the type of

recommendations we made is that it allows for individuals and the committee to express their views publicly. This is another commitment we had made to the people in the north is that we would have a more open government. This is a good place to discuss this payroll tax in public before the decision is made. That is the reason why I am expressing my concern about this payroll tax. It is a difficult one and everyone will have to make a decision when the time comes.

I want to reiterate my position. What I would like to see is that preferably if we could deal with this item through a consultation process in the spring, summer and fall and then deal with this item in the fall, I wonder if that is possible and I wonder if the government has already possibly looked into its own operation to see how they could make up the shortfall. I understand it is between \$6 million and \$8 million, but that could be conservative at this time.

I understand the principle. I agree with the principle of the tax that we should try to capture the tax dollars that are escaping us. We should set a net for southern workers who come in and try to capture the tax dollars from them. I feel we should, to do it fairly for the people who put us here, try to deal with it in a more reasonable manner. I say reasonable because some Members feels that the process is flawed, as we indicated in our report and that the consultation process was done in a way that not everyone had an opportunity to look at the tax. The tabled document which was sent to the people who were

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consulted is different from the document which was read for the first time in the first reading. There were differences in the documents from the tabled document to the document which was read for the first time, the other day. We checked this out. We were told and we were satisfied that there were not very big changes between the two papers. The intent and the content of tax act is still the same even though there were some changes. For all these reasons, I feel that I would prefer to see this bill be dealt with over a longer period of time, perhaps deal with it in the fall. Those are my general comments, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Antoine. Mr. Whitford then Mr. Zoe. Mr. Whitford.

**MR. WHITFORD:**

Thank you, Mr. Chairman. I will make a few comments on this bill. Mr. Chairman, I have always supported the Minister of Finance in his initiatives and in his hard work in order to steer the government fiscally through these rough times. There was a time in the last Assembly, Mr. Chairman, that I had urged the then Minister responsible to take a good look at ways of making sure that people who came into the territories to earn money paid their fair share. I was told at the time that it would be impossible to do, or next to impossible to do, and consequently nothing was done. As a result, nothing did get done. People continue to earn money and leave without any net benefit to the territories, through taxation. We live and work here 12 months of the year and we end up paying for all the services which we do.

I was initially in favour of the payroll tax when it came out in its initial form. That, Mr. Chairman, was where the net would be cast to all tax payers in the territories and at the end of the year, tax time, the net would be cleaned out and those fish that lived in the territories would be set free and those that were not here would end up paying. Somewhere along the way, Mr. Chairman, it turned out that this net did not allow for many of the tax payers to be set free of this, albeit, small tax. This is where I think the Minister and his initiatives, and I, have a parting of the way. The initial concept, yes, where people who earned money in the territories would end up paying some but when the northerners would end up paying even a small amount, I could not support. I hoped that we would have been able to find a way around it. I only learned a little bit more about it in the last few days. It turns out that people will be getting some money back. That bothered me, as well, Mr. Chairman, because some people who will not even pay into it will end up getting some back. That is not fair. Mr. Lewis said that we will put money back into the pockets of the poor, but this is going to put money back into the pockets of people who do not even pay into it. If we end up paying out money what is the real net benefit of this.

There are a number of things which are flawed in this. There are initial flaws in this bill which beg for further review and some consultation on that. I too, would have preferred, if this bill had been deferred until a later time to be dealt with, rather than now. Mr. Chairman, there is a time when you take direction from your constituents on some things and you weigh the odds and their input, and some times as one of the Members said, you just have to hold your nose

and vote against your constituents wishes. Mr. Chairman, I have spent a great deal of time talking to people about it. While it may be true that no one wants to pay more taxes, and if you ask them if you would agree to pay taxes, 95 per cent of them will say no. Many people without even being asked that have said this. Of the people who I represent, there was one exception who support this. Only one person of a large number. I represent, I think, the largest constituency by population. If they all stood up and said yes vote for it, it would be great. I have not heard but one person supporting this. I would have my feet tied to the fire if I turned and supported something like this against their wishes.

There is a great deal of heat dumped on Yellowknife. People say we are all rich. This maybe true that people do earn a good buck in Yellowknife but do not forget that we pay high taxes in this community, and we pay for many of the services which we get. To add, even one more per cent, when other people are not going to be paying, I think is totally unfair and this is why I will stand up in defence of those persons, in saying that this is not the proper time for this.

Again, I go back to the initial concept of this which I initially had supported. That changed somewhere along the way. It turns out that it is going to catch more people than I would like to see. I was going to abstain from voting so that it would allow the government to carry out some of its financial initiatives. However, Mr. Chairman, that would not be fair, and therefore I am going to say now that I will not support this. I would like to see it deferred until a later time where perhaps I can go back and consult with people and point out some of the positive things. At this point in time, I have to go on record and say that I will not support this bill for the reasons I have stated. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Whitford. Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Chairman. I concur with the report of the Standing Committee on Finance and all of the comments which are raised in the report. I raised some of those concerns which are incorporated in this particular report. However, Mr. Chairman, I was not too happy with the process which we used. From the outset, when the Minister first introduced the Payroll Tax Act, which our committee reported on, we made a number of recommendations and the Minister did

follow out the recommendations of the Standing Committee on Finance.

Members on this side of the House and that side of the House will recall that when we were discussing how many sessions we should have, I raised the issue and I indicated at that time that we should have a spring session because I knew we were going to get into this problem. I knew people were going to start complaining about the process that the government has used. For that reason, I strongly recommended to them that we should have a spring session, but nobody on this side of the House or that side of the House suggested that we should have a spring session. They all said, no, we are not going to have any session at all. The end of this session is it. We are not coming back during the spring and the next time we will see each other is in the fall. Some Members on this side of the House are saying the process that the government used to date was not a good one. I agree with them. That is why I raised it even before we got into this mess. Nobody raised it at the time that I suggested that we should have a spring session. We have had a spring session for the last three years. Why can we not have a spring session to deal with this? I knew we were going to get into this dilemma.

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The government has suggested that they want to incorporate this effective July 1. For that reason, I said it is not going to be enough time to deal with this, we will need more time, but because Members of this House decided not to hold a spring session the government had no choice but to bring in the payroll tax before we conclude today. I am kind of appalled to hear Members on this side of the House suggesting that they are disappointed with the process that has been used. I realize it was not a good process but you have got to understand the government's dilemma. I am not particularly happy with the way the payroll tax in its present form but when the vote has to come down, Mr. Chairman, I will not oppose it, but I will not support it either. Thank you. I just wanted to make those comments so that the public know that the issue was raised that a lot of Members in this House elected not to hold a spring session to deal with this issue. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, honourable Zoe. Any further general comments to Committee Report 20-12(3)? Mr. Pudlat.

**MR. PUDLAT:**

(Translation) Thank you, Mr. Chairman. With regard to the payroll tax amendment, I know the Minister of Finance has been working on this for a long time. When we started dealing with the payroll tax amendment, I thought I understood that it would not apply to the whole Northwest Territories, but I am now beginning to understand it better. The majority of the people in my constituency do not really understand the meaning of the payroll tax amendment. Perhaps some time I can make it to the communities and consult with my constituents, eventually, because it takes a few days to get to some communities. My honourable colleague is right, in some ways, that my constituency has to be consulted with regard to the payroll tax amendment. If I do not consult my constituency I would be the one to blame if I did not consult them.

I remember the time when my honourable colleague wanted to hold a spring session to deal with this. I think we should delay and set a time to deal with this because it is very important that we consult our constituents with regard to the proposed amendment. Mr. Chairman, as I beginning to understand the amendment I do not really want to support the proposed amendment any more. If I am going to oppose the amendment it is because I have a reason. I would like to have more time to deal with the payroll tax so I can consult with my constituency. Mr. Chairman, I just wanted to comment on this. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Pudlat. Any further general comments on Committee Report 20-12(3) from the committee? Mr. Dent.

**MR. DENT:**

Thank you, Mr. Chairman. Mr. Chairman, the present government has done a relatively good job of providing a balanced budget. We are probably the only jurisdiction in Canada without an accumulated deficit. I think it is important that we maintain that situation. I recognize the need to increase taxes in order to ensure that we can stay that way. I think it is important to point out that in spite of decreasing support from the federal government in terms of transfer payments, in this jurisdiction we have managed pretty well to maintain our services. We have not had huge staff lay-offs that other jurisdictions have had. Services have been maintained relatively

well. Mr. Chairman, it takes money to do this. As well, the performance of the formula financing agreement is going to be affected by decreasing transfer payments because of the provinces across Canada who have now increased their tax rates because the difference between our rates and their rates increases, the amount of money that we receive from the federal government decreases. Mr. Chairman, that has put us in between a rock and hard place.

When the Minister of Finance announced this tax measure I told him right away that I thought it was the wrong way to go. It is too complicated. It is too much work for the revenue. As a matter of fact, Mr. Chairman, I suggested to him that a further increase of one per cent in the personal tax rate would probably be more acceptable. The government has chosen not to do that, they have chosen to support, instead, the goal and principle of trying to obtain some taxes from fly-in fly-out workers. I am sympathetic to that goal. I have to say that I would prefer in many ways to see the tax system unchanged. However, Mr. Chairman, because it is important to increase taxes and I recognize the need to do that, and because this tax measure is the one that is before us right now, I am going to support this payroll tax measure. I want to be very clear to the government that they had better not count on my support for increases in the rate of tax. I think that it will be interesting to see how this one works out and whether or not we do, in fact, net the amount of money that the government says we will. In future, I would prefer to see increases in the other taxes if we have to have them rather than an increase in the payroll tax. Mr. Chairman, those are the reasons for which I will be supporting this measure at this time.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Dent. Are there any further general comments? Mr. Arngna'naaq.

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Chairman. Like other Members, I have only recently begun to understand what these particular bills will be doing to the citizens of the Northwest Territories. When I first heard about this I thought of it as somewhat ridiculous as far as the administrative costs to recover funds which are going south, and the amount of money that will be used to administer the program. Since then, I have begun to understand more of what the intent of these two bills are.

At this point, I am stuck between voting for and against these two bills. On the one hand, for a majority of the people who will be affected by this in my constituency we have raised such areas as rent by as much as 15 per cent. That is what I hear from the Minister of Personnel. The inflation rate in which we survive at this point is about 1.8 which basically covers the salary increases that employees in my constituency will be affected by, which works out to a 15 per cent increase. We are talking about a one per cent increase to their payroll. In my mind, that is a 16 per cent hike for employees who are the moderate range income.

I would have also liked the benefit, pleasure or privilege of consulting people in my constituency. I have only learned, over the past two weeks, what the intent of these bills are. I still have difficulty. Of what I can understand of this, it does not touch people who are self-employed. People who are self-employed in my constituency are quite well-to-do people. Professionals are quite well-to-do. People who have formed

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corporations are very well-to-do. From what I can understand, they are not going to be touched in any way shape or form by these two bills. Yet, I have people who I always have sympathy for, the people who are in the low income bracket, people who are on social assistance, they are going to benefit. How much of a benefit they going to receive is another factor that I have to consider.

In speaking with the Minister of Finance, the original intent, as far as I can understand, was that we were trying to catch the people who are fly-in fly-out workers in the territories. The figure which he gave me roughly was 27 per cent. In listening to the chairman of the Standing Committee on Finance he is indicating 15 to 20 per cent. How much of this revenue is actually coming in from people who fly-in and fly-out? I do not know the answer to that. When we look at the attachment to what we have received from the Standing Committee on Finance, I have looked at that and studied it, what I can see is that in a time when we, as a government, are trying to employ as many aboriginal people as we possibly can, the people who are aboriginal and will likely fall into these brackets will likely get hit the hardest. I think that is true for my constituency.

When we looked at the rent increases, I took a look at who was going to be affected the most, and when we

looked at this, it appeared that the people who are aboriginal employees, live in a government house, have an income which is average are likely going to be hit the most. When we voted on the rent increases, that is who I was thinking of, the aboriginal employees who we, as this government, have been encouraging for a long time and continue to do so.

I can understand where the government is coming from by introducing the payroll tax as well as the Income Tax Act, which is to soften the burden on the people who are less fortunate. At a time of financial constraints the government has the responsibility to keep the bottom line positive. I can understand that. I can also see people who are employed by various agencies in the Northwest Territories trying to try to get their bottom line positive with the banks and with the mortgage groups. At this point, I really do not know how to vote. These last few years have been a time of recession in Canada, all over the world for that matter. It appears we are getting past this recession. Just at that point, we are introducing a one per cent tax on people who are likely better off than most and handing it to the less fortunate. That principle I like. I think it is a very good principle. Yet, I do not want to see the affect of any more increases on people who are trying to benefit my people. That is who is in my constituency, government employees and those who are on social assistance. For me, it is very difficult to say, without having consulted with the people in my constituency to say yes or no. At this point I would like to say I will be abstaining. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Mr. Ningark

**MR. NINGARK:**

Thank you, Mr. Chairman. Mr. Chairman, I initially did not support the bill when it was first introduced by the Honourable Minister. I stated, Mr. Chairman, that my constituents would not want me to support any legislation to increase or introduce any form of tax within their jurisdiction. However, Mr. Chairman, the more I think about it, the more I get confused on this initiative. Mr. Chairman, we have families living in wooden shacks, there are families living in substandard homes in the territories, there are programs and services that make life a bit easier for women and children in this jurisdiction that has been curtailed because the system is not able to keep up with the demands. Mr. Chairman, there are children going to school every morning across the board

without breakfast because we do not have the means to provide breakfast for them. Mr. Chairman, if the money generated from the initiative would be used to help women and children, who sometimes we seem to neglect because we do not have the means to help them, and maybe because someday, Mr. Chairman, we may become a province.

We have talked about the dream of many of the people of the NWT to be self-sufficient, to become a province. Maybe this is a good time to start practising this, since I am told by the Members of the Standing Committee on Finance and by some of my colleagues, people who cannot afford to pay taxes in this initiative, if it is passed by this House, those individuals who do not make that kind of money will be given a rebate. This is not a case of the poor get poorer and the rich get richer. I think the initiative is fair in mind and, Mr. Chairman, I am and I will at this time, be supporting the motion. Thank you.

---Applause

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Member for Thebacha.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. I would like to make my general comments with respect to the bill itself. Mr. Chairman, as a Standing Committee on Finance Member, I certainly did not have any problem with the concept and the principle of the bill in trying to tax the people who come into the north and go south and at the end of the year pay their taxes in other jurisdictions. That was the intention of this bill and I fully support that concept. However, as a Member, I want to advise the Minister of Finance that I was one of the Members who posed the most criticism with respect to the process used with regard to those whole payroll tax, particularly in the area of public consultation.

First of all, this bill was discussed, the committee brought forth its recommendations on February 17. One month later the Minister came back and agreed that there should be revisions and then we have taken it from March 19. The notice to the public was done after March 19, only in the Yellowknifer and News/North and I cannot why it was not done other papers across the territories. That is not public consultation. So, I was concerned about that and I expressed my concern in the committee.

The other area that I proposed to the Minister when he came to meet with the committee was because of the lack of consultation, because of people not understanding the bill in totality, the area of credits, if they live in the north they will get back their payroll tax, because they really do not understand the complexity of the bill, why not bring this bill back in November when we have our next session? Let the consultation process go through and even if you raised your percentage from November, December, January, February and March to be able to get your money in the revenue part for government, that was one area that should have been considered. They must have decided not to accept that idea.

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I think the problem that we have is that there are many ordinary Members who do not understand the bill, do not understand that one per cent of your pay is going into this payroll tax, but up to a certain amount you will receive a credit. It is not only just another form of tax payment. The lower income people get a portion, or probably more than what they are going to be paying. That part of information did not go out in clear to the public, so it has been very difficult for them to understand that. They just look at it as a one per cent tax. If you get \$1,500 on your pay cheque then \$15 goes to the payroll tax. That is the only part they understand. It is because the bill was presented to us to catch the southern people who live in the south but come to work in the north, make their money in the north. That was the intention of the bill.

The only problem that many Members find themselves in, I think if the general public recognized the average payroll tax, for example, a person who makes \$10,000 to \$20,000 would pay on the payroll tax at least \$26, they would receive a tax credit of \$50. So, if this bill passes it benefits the people who make \$10,000 to \$20,000 by \$25. For the people who make \$20,000 to \$30,000 they would have an average payroll tax of \$105 per year. Their tax credit would be \$173 and they would benefit by \$68. If an individual made \$30,000 to \$40,000 they would pay \$202, their average tax credit would be \$269 so they would benefit by \$67 if this tax was introduced. The people who make \$40,000 to \$50,000 would pay \$305 on the average, receive a tax credit of \$361, they would benefit by \$56. The people who make \$40,000 to \$50,000 would pay \$417, they would receive a tax credit of \$450, so they would have a benefit of \$33 plus their money back. It is when you get into the brackets of \$60,000 to \$70,000 the payroll tax then you start paying \$618 and you get a credit of

\$601. Then you lose \$18 out of an individual's pay. When you get into the tax bracket of \$70,000 to \$100,000 your average payroll tax is going to be \$764, your average tax credit is going to be \$641 so you end up paying overall \$123. For individuals making from \$100,000 to \$200,000 they pay a payroll tax of at least \$1,048, the average tax credit would be \$643, therefore they would receive a \$405 credit. So, they would end up paying.

Mr. Chairman, I do not believe that people understand this formula that this tax is going to be implemented on. It is because the information has not been out to the public. This tax bill was tabled, I agree, for the public to be able to look at it. However, the actual tax bill we are discussing is a different tax bill than what was tabled because there are about five changes to the initial tax bill that was tabled. We believe in the Standing Committee on Finance that those changes are for the better. We encouraged the Minister to change that tax bill and we appreciated that he did change it.

I will tell you the real problem, Mr. Chairman, and I had a problem with this. Every time we come to a session and something like this that is going to be controversial, may be too complex, we leave to the last minute. This session was supposed to close at 2:00 pm today, here it is 7:00 on a Friday night, we are still discussing trying to get this payroll tax in because we know we want to prorogue, we know we want to finish, we know we want to go home. So, here we are deliberating a bill that has over 70 clauses, over 50 pages. Again, sometimes I tell the government, poor, poor planning. That is what it is. It is not only poor planning on the government, it is the Legislative Assembly too because we should have kept telling them get that bill in the House. But, no, we leave everything for the last minute. That is where we have the problem. Now there is back room discussion, should we defer it. We do not feel comfortable with the amount of consultation in regard to this bill. That is where we have our problems. We create many of our problems.

Mr. Chairman, when I looked at this bill this morning, last night when we left here after 11:00 pm, thinking of this bill, I actually dreamt of this payroll tax bill, usually my work does not bother me. But, I feel strongly that the process undertaken has been too rushed. I feel it is really unfair and I really feel sorry for the Members who are not Members of the Standing Committee on Finance because they have to take this bill, absorb it all and vote on it. They depend on the Standing Committee on Finance to give them advice. The

Standing Committee on Finance could not even come to a consensus.

So, I believe that is what has caused the problem. We did not allow enough time for such an important piece of legislation to be properly considered in the Legislative Assembly.

Mr. Chairman, I do not think there is one Member in this House who does not agree with the principle of this bill. I believe every Member agrees with the principles because we all want the government to get more money, especially from those people who come in from the south, make their money in the north and go. We all want to support that concept, there is no doubt about it. I think the problem is with this payroll tax being applicable to every northern resident, many northern residents do not understand that they will get their money taken off their pay cheque back at the end of the year. That is the problem, people do not understand that.

Mr. Chairman, I wish the government luck when they explain this bill as we go through it clause by clause. I could probably say we will be here until midnight and I doubt if we will still have this bill changed, or else it will be like other sessions, where I have seen sessions where you take a thick piece of legislation and all you hear is agreed, agreed, agreed, agreed so we can get out. But that is a disservice to the public. Let me tell you, if we defeat this bill this will be a lesson, especially for the government on the planning. I just about voted to teach you guys a lesson, voted against. However, because I really support the principle, I support the bill, but I really do not feel good about the voting because I do not believe I am voting in a proper manner. I think that is the same dilemma many of my colleagues on this side of the House are in, they feel the same way. I know if I put forth a motion to defer this bill we would probably carry that motion, not to be disruptive but to make sure we are passing a piece of legislation that we want, is good for all the people of the north, and the people of the north particularly to understand this piece of legislation. Yet we know that the government, financially, needs the money. So, we are in a situation where we are damned if we do and damned if we do not. I do not know if that is unparliamentary, and if it is I apologize. We want to leave you to have the money to let you do what we want, but it is the way we are getting the money so quickly with a complex bill we are concerned about. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Mr. Antoine.

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Committee Motion To Move Bill 26 and Bill 27 Into Committee Of The Whole

**MR. ANTOINE:**

Thank you, Mr. Chairman. As I said, I have had some difficulty with the rules of this Legislative Assembly. I move that the committee recommends that the following bills be moved into committee of the whole for further consideration: Bill 26, An Act to Amend the Income Tax Act, No. 2 and Bill 27, Payroll Tax Act, 1993.

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**CHAIRMAN (Mr. Ningark):**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Mr. Antoine.

Committee Motion 159-12(3): To Adopt Recommendation 2

**MR. ANTOINE:**

Thank you, Mr. Chairman. I move that this committee recommends that the government continue to investigate ways and means to ensure that self-employed individuals who are exempt from paying the payroll tax will not receive a rebate.

**CHAIRMAN (Mr. Ningark):**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**CHAIRMAN (Mr. Ningark):**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Does this committee agree that Committee Report 20-12(3) is concluded?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Ningark):**

Thank you. What does the committee wish to do now? Member for Thebacha.

**MRS. MARIE-JEWELL:**

I think Members want to address Bill 27, Payroll Tax Act, 1993, and then we will attempt to do the rest of our tabled documents that are on the order paper.

**CHAIRMAN (Mr. Ningark):**

Does this committee agree?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Ningark):**

Thank you.

Bill 27: Payroll Tax Act, 1993

**CHAIRMAN (Mr. Ningark):**

Bill 27, Payroll Tax Act, 1993. Mr. Minister, do you have any opening remark?

Introductory Remarks

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, much of what I am going to say has been said, but for the record, on September 10, 1992, in the Budget Address I announced the introduction of a one per cent payroll tax to be effective July 1, 1993. Bill 8, the Payroll Tax Act, received first reading on November 27, 1992, and was referred to the standing committee on finance. Mr. Chairman, as part of its review of the bill the committee invited submissions from interested parties, and the standing committee tabled its report on February 18, 1993. Mr. Chairman, the bill before the committee today is Bill 27, Payroll Tax Act, 1993.

The previous bill had been revised into Bill 27 after seriously considering comments and suggestions made by the standing committee on finance and by the organizations and individuals who responded to the standing committee.

Mr. Chairman, changes were also made as a result of subsequent public consultation and these changes as well as those resulting from the recommendations of the standing committee on finance include an exemption for members of religious orders who take a vow of poverty to match the exact exemption in the Income Tax Act and an exemption for housing for clergy also to match an exemption in the income tax act. There is also an exemption for those who normally work outside the Northwest Territories but who might work in the North for a short time. Mr. Chairman, this exemption will make the tax simpler to administer for southern employers who may send employees to the North for a few days at a time, but it will not significantly affect revenue. Also, Mr. Chairman, to clarify of section 4 which allows the Minister to deem employees of related non-resident sub-contractors to be employees, this section is intended only to prevent tax avoidance and will not normally affect Northwest Territories businesses.

There is also inclusion of office holders in the definition of employee to clarify that M.L.A.s, judges and corporate board members will be subject to tax. Mr. Chairman, the payroll tax is a way of taxing the earnings of individuals who work in the Northwest Territories but who do not pay personal income tax in the Northwest Territories. For example, individuals who work at isolated sites or in seasonal construction jobs may not be residents on December 31 and therefore pay no Northwest Territories income tax. Most residents, Mr. Chairman, of the Northwest Territories will pay less tax after considering both the payroll tax and the cost of living tax credit. Mr. Chairman, the payroll tax is an important part of this government's effort to reach a balanced budget. It will raise some \$8.2 million in 1993-94 and \$11.7 million in 1994-95. Mr. Chairman, I realize the concerns of the committee members with regard to the amount of time that was allocated to discuss the bill. I also hear the words coming across the floor that we are sitting here late on a Friday night when we should be done discussing this bill.

As I said in question period today, Mr. Chairman, we had been planning to be back here next week, either April 5 or 7 or April 6 or 7, to finish up work after our trip to Fort Providence and



the government had considered that these two bills, Bill 26 and Bill 27 along with supp number one for this particular year would be those items that would be on the order paper and that it would have given us a little more time to consider the bills. I do apologize for the short space of time. I apologize for, as it were, creating this late sitting, and I would be prepared at this time, Mr. Chairman, to ask for the admittance of officials and then respond to questions with regard to the bill. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Does the committee agree that the Minister be allowed to bring officials to the witness table to assist us in this matter?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Agreement. Mr. Minister, would you invite your witnesses? Sergeant-at-arms, assist the Minister. Thank you, Mr. Minister. Mr. Pollard, would you care to introduce to your witnesses to the committee, please?

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, on my left is Diane Buckland, legislative counsel with the Department of Justice, Government of the Northwest Territories. To my right is Mr. Eric Nielsen, the deputy minister of Finance and next to him is Mr. Jean Guertin, the director of fiscal policy for the Department of Finance. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. At this point, we normally go to the chairman of the Standing Committee on Finance, who I believe has already presented his report so we will move on to general comments on Bill 27? Does the committee agree we move clause by clause? Mr. Koe, Mr. Zoe. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, before we get into the details of the bill, could I ask the Minister or his officials to explain the

assessment portion of the payroll tax? How that section is supposed to work?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Mr. Minister.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, first of all in the definition of "assessment." "Assessment" means "an assessment, reassessment and additional assessment made under this act." That includes the confirmation of variation of an assessment under subsection 32(6). I guess that means we may assess, reassess or make any additional assessments to an employer at any time. That the Minister may assess, reassess or make any additional assessments on an employer at any time where there is misrepresentation attributed to neglect, carelessness or wilful default or fraud or be within six years later of the time the return should have been filed or when it was actually filed. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, does that mean every individual would be assessed and notice of their assessment would be sent to them?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Mr. Minister.

**HON. JOHN POLLARD:**

Employers will be assessed. That is correct, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, this is an employees' tax. Why would the employer be assessed? I realize they have to verify the amount of money they are withholding from employees, but as an individual who is paying the tax, should there be a mechanism in place where we get to see the assessment of our individual taxes we have remitted?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, it would be the responsibility of companies to inform their employees by way of their tax slips or however they inform their employees that the deductions made from their salaries, of the amount of money they have paid with regard to the payroll tax. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, as an individual taxpayer, then what happens if there is a discrepancy between the knowledge of the employee and what the employer has remitted on his behalf? What if there is an error? How would one rectify that situation?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, there are allowances in the act for overpayments. If an employee overpays, then there are allowances in the act for the employer to reimburse that employee. By the same token, if there is an underpayment, there are also allowances in the act to allow an employer to redeem that tax from the person who should have paid it. Under section 17(1), Mr. Chairman, there is the ability for an employee to apply for an application for a refund, Mr. Chairman. So, there is a right of appeal for an employee who believes that he or she has paid too much payroll tax. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. General comments. Mr. Koe.

**MR. KOE:**

Thank you, Mr. Chairman. Can the Minister give me his current projection on the amount of revenues you are estimating from this tax for 1993-94?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Minister.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, with July 1 implementation, \$8.2 million. Thank you, Mr. Chairman.

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**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Koe.

**MR. KOE:**

It is my understanding there will be no tax credit come into play until April 1, 1994-95 fiscal year. So there will be no costs incurred in terms of rebates, but what would be the cost in terms of administration of the payroll tax? What would the cost on the \$8.2 million?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Minister Pollard.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, as Members will recall earlier this week I introduced a motion to reduce the Department of Finance budget by some \$322,000 and \$100,000 of that was a one-time capital cost and \$222,000 was for the O and M to administer the tax. So, in a fiscal year for administration, would be \$222,000, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. General comments. Mr. Koe.

**MR. KOE:**

So roughly we are going to have a revenue item of a new of \$7.9 million, if the \$322,000 is the only cost against the payroll tax. Am I close?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, the Member is indeed close. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you. Mr. Koe.

**MR. KOE:**

So, in 1993-94, which is the intended time that this payroll tax would be introduced, we are playing a numbers game which then allows the Minister and Cabinet to achieve their balanced budget. My concern is what happens in 1994-95 and future years when we have to give out rebates. I would like to get an estimate, April 1, 1994, when the first rebate claims come in, what is the estimated cost of all of the rebates and what is the net, after rebates are paid out, in 1994-95?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, the rebates that will be paid out in 1994 are estimated to be \$9.7 million.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Koe.

**MR. KOE:**

What is the estimated payroll tax for that year?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Minister.

**HON. JOHN POLLARD:**

The estimated revenues in that particular year will be just short of \$12 million, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Koe.

**MR. KOE:**

The biggest impact of this payroll tax on the plus side on the balance sheet, is this year, the first year that it is going to be imposed. That makes the current Minister look very good in achieving his balanced budget. However, the impact is not so good in future years, in 1994-95, when the net on the books is only going to be \$2.2 million. This fiscal year, 1993-94, the net is going to be \$7.9 million or thereabouts. I am

wondering, in future years how do they propose to make up that difference of \$7 or \$8 million on the revenue side of the ledger sheets.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Minister.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. It is not my intention to try and look good. In this particular year we have some one time expenditures. As Members will recall we put in a \$5 million one time expenditure for decentralization this particular year. There is also the training program which will be administered by the Department of Education, which is another \$6 million in one time funding, Mr. Chairman. I am looking down the road and seeing those one time shots, knowing that they are not going to be there next year, and hopefully the formula may be producing a little better for us in the years to come we will be able to make those one time expenditures this year and still have a balanced budget next year, even though the net on the payroll tax is \$2 million or a little less. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Koe.

**MR. KOE:**

Businesses are going to be the ones collecting and hold the tax collected. Depending on the size of the payroll, they will be expected to submit this money to this government. The concern of businesses, especially small businesses, is the administration of the payroll tax. Does the Minister have any estimate of the cost burden, or paper burden, that will be imposed on the businesses of the north?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I do not have any cost estimate. Having once been in business for a considerable period of time, and having waded through payroll either at the end of every two week pay period or at the end of each month, and hating every minute of it, I do not think it would have been that onerous on me to make one more deduction. Mr. Chairman, you may say, and it has been said to me outside of this House,

that the employees are going to pay and the employers are not going to pay but I see this as the employees are certainly paying by way of dollars. They do have the opportunity to file for a tax credit at the end of the year, which will reimburse them. The employers may not be paying a tax but it will undoubtedly cost them a little bit more to make those calculations so they are contributing to the Government of the Northwest Territories as well. I do not have any firm numbers. However, I do know that it will be a little bit of extra work for them, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Koe.

**MR. KOE:**

A good part of the proposed bill deals with administration and non-administration because there are many clauses which impose monetary penalties for non-compliance. Every time you have compliance clauses that means there has to be someone monitoring or enforcing. Would the \$222,000 which you mentioned, is that all of that going to go toward enforcers and auditors and people ensuring that bills are paid

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and monies are collected, and revenues are submitted to this government.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, there will be one auditor and two analysts. The auditor will mostly be doing desk audits as opposed to moving around the country and doing on-site audits. There will be three positions administering this tax. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Are there any general comments? Mr. Koe.

**MR. KOE:**

I hope they are not going to be paid \$222,000. I assume some of that amount will be used for setting them up in the administration, and there is another

one time cost for forms, that is one time every year because the dates will change each year on income tax forms. The act says that the Minister shall administer and enforce this act, control and supervise all persons employed to carry out or enforce this act. You would have two people. However, the act also refers to deputy minister and other officers for appointing other officers for administering and enforcing this act. Is the Minister saying that you would only have the three people who he mentioned, the two analysts and auditor, appointed as officers or are there other people in the system that will be appointed as tax collectors or tax enforcers.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I should explain that in as much as I will be asking for \$222,000 and 3 PYs to administer this payroll tax, these people will fold into the systems which are already in place, and the regime which is already there, at times there may be more people, at busy times working on the payroll tax, and at time there will just be the regular number. At times there will be a need to ask other people to carry out duties related to this particular act. Mr. Chairman, when you mentioned specifically the deputy minister, the deputy minister spreads his time around the department as it is required, so he may be required to do things under this act as well as other people in the Department of Finance. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Koe.

**MR. KOE:**

Can the Minister estimate what the costs of the total regime, as he puts it, is going to be? You are going to incorporate people who already working in the system, which I assume is the Department of Finance, and I assume the Audit Bureau because they have the auditors, how much is it going to cost internally? Is this cost then some time in the future going to be applied as a direct cost against the amounts of revenues that are going to be generated?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, my apologies if I mislead the House. The Audit Bureau will not be involved in the administration of this tax. It will be the solely administered from within the Department of Finance. There are already people there and they are already doing taxation types of work. What we are saying in order for that particular group to be able to administer this particular tax it will take another three PYs and \$222,000 and as I said, a start up cost of \$100,000 this year. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. General comments. Mr. Koe.

**MR. KOE:**

Is it conceivable that the proposed tax rebate, I know we are not on that bill but it ties in with this bill, can that rebate to northern employees, bearing in mind this bill is going to tax people who are not necessarily ordinarily resident in the north. Can we be challenged under the Charter of Rights on this issue?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, our lawyers believe that these acts are fully constitutional so we do not anticipate a challenge, Mr. Chairman. Thank you.,

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. General comments. Mr. Koe.

**MR. KOE:**

I am concerned and from a business perspective of the costs of complying with the act. From a business perspective and knowing that no one likes to pay taxes and how when something is imposed on someone they are always trying to find a way or means to get around it to put it in nice terms, so the compliance auditor or your analyst, I believe they will have a tough job. We know how large the north is. We know we have construction projects with people working all over the place. So, my concern is I think you may be underestimating the compliance aspects, and I am just curious how do you intent to ensure that the people we are trying to retrieve taxes from, that

they are the persons we are targeting and they are going to pay their rightful dues?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, we are using the same kinds of forms that people fill out under the Income Tax Act and we are doing that purposely. So, we will be provided, hopefully, with the same information.

With regard to how do we know where people are and what they are doing, there has been some communication with the WCB, people have to file with the WCB when they are up here. There are also compliancies with regard to business licences and so on and so forth. I guess I go on the premise that if you are a company and you are an upstanding company in the Northwest Territories, you will not try to duck out on paying taxes. I am trusting those people to comply with the legislation. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. General comments. Does the committee agree that we go clause by clause?

**MR. KOE:**

(Microphone turned off)

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Perhaps this would be a good time to have the Clerk ring the bell.

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Is the committee ready to go clause by clause? Mr. Koe.

**MR. KOE:**

I would still like to hear some kind of impassioned plea from the Minister to convince me that this is the right thing to do, that we are doing the right thing. People in the Northwest Territories and I know we are going to deal with the amendments to the Income Tax Act next, but by imposing this payroll tax that it will not be a progressive tax and not something we are going to see increase annually to offset more upcoming one

time costs because we know there is going to be more, or we hope there will be more decentralization, we know there will be more amalgamation of departments and hopefully after this weekend in Providence, a new strategy on how we do business and where the government is going. So, I need to be assured that this is not going to be a progressive tax and that it is not going to hit the lower income people. I know your threshold level is about \$66,000, but I also note in your budget address that you talk about non-employment income and business investment in forms of pension income would not be subject to tax and I have some concern about that because in 1990-91 your taxes to commercial businesses were reduced and I have not seen the offset increased. The self-employed people in business and professionals are not going to be hit with the taxes. I also note -- I am reading from page 36 of your budget address -- hunting, fishing and trapping income would also be exempt unless earned by an employee. We know in the north that many employees use hunting, fishing and trapping to offset their incomes and to use it for subsidizing their living, especially in many of our cases we do hunting to subsidize and offset our food and use northern foods. So, I am not clear what you mean by that because a good many people are hobby hunters, fishermen or trappers, and are employees. So, I hope that the income earned, and I have stated many times, the trapping income this year has not been good so there is not going to be a big return on it, but I hope the intent is not to capture the people in those categories. I need some assurance from the Minister.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Minister Pollard, with a little feeling.

**HON. JOHN POLLARD:**

Mr. Chairman, I apologize for my lack of passion. I think Mr. Koe has raised an important point, Mr. Chairman. If people are believing if you are an employee and you also hunt, fish and trap that we are going to catch you, that is not what that means. Most of the hunter, fishermen and trappers in the Northwest Territories are self-employed, so they will not be affected by this tax. What that means though is if you are an employee of a trapper, if a trapper has someone working for him or her and is earning a salary from that hunters or trapper, then there would have to be a charge of one per cent payroll tax on the employee's salary that he or she received from the hunter, fisherman or the trapper. So that is what that

means. It does not mean if you are an employee of some company and on the weekend you are out trapping, that you are going to pay. You would only pay the payroll tax on the money that you earned from your employer.

Secondly, Mr. Koe wants me to tell him why this is a good deal. Mr. Chairman, it is really difficult being a Finance Minister anywhere in Canada today. We all sit down and try and figure out new ways to do things and try and do it in a way that gives people the least amount of pain. Yes, I did have the option of increasing business taxes in the Northwest Territories. Certainly, they had been reduced in previous years, but with the economy the way it is at the present time, I did not want to put an extra burden on those businesses, but I did want to try and capture those people who earn a living in the Northwest Territories and do not pay any taxes here. So, I zeroed in on those people, it took as considerable amount of time for the department and its staff to put together something that would be, acceptable by the federal government. As Mr. Patterson said earlier, earlier attempts at this were rejected by the federal government. So we had to come up with something that was acceptable to the federal government and they did agree that they would handle the tax credit system for us.

At the same time, and as I said in committee, Mr. Zoe had been one of those people in the House who had been talking about some credits for lower income people, so at the same time as we were looking at the payroll tax and the tax credit system, we made a conscious decision to try and improve the lot of those people who do not earn a lot of wages in the Northwest Territories. That was to recognize that it does cost more money to live, work and spend 365 days per year in the Northwest Territories.

I agree that we are not going to get those self-employed people who, for one reason or another, own companies and do not draw by way of salary or wages benefits from that company. If those people are taking dividends or cash withdrawals which do not include a pay cheque whereby they are deducted for CPP, UIC and for income tax, then those people will not pay payroll tax, but they will be eligible for the tax credit system. I admit that, Mr. Chairman, and I tried really hard to figure a way to get those people and I could not figure it out. Although, a novel idea was presented to me at the break earlier this evening and that would be to send a letter to all those people and say, "I have not been able to get you with the payroll tax because the administrative costs would be too

great, but you are receiving the tax credit because you are filing an income tax form with the federal government, which entitles you to the tax credit. So would you voluntarily supply a tax credit back to the Government of the Northwest Territories." Mr. Chairman, I am tempted to try that.

--Laughter

Just to see if it works. I am serious, I am tempted to try it. On the other end of the scale, this tax does not affect those hunters and trappers in the Northwest Territories who are not earning a salary from their own companies. If they are self-employed and doing the same thing as those rich people, then they indeed will not pay the payroll tax, but they will receive the tax credit as well. There is some good in the lower end, people do benefit.

With regard to will we increase this tax? Mr. Chairman, I have no intention of increasing this tax. It certainly is there for a purpose and I do not see this tax being able to address any future big money that this government may require. It is just a part of a package of coming up with a balanced budget. There has been reductions in departmental spending, there has been reductions in travel, deputy ministers have been very cognizant of our poor fiscal position and have been very responsible and cut back. We have eliminated a number of positions, we have stopped the growth of government spending. We have increased personal income tax by one per cent. We have

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started to charge for services that we did not charge for before. There is a new housing strategy, we are trying to get out of the housing market, it may not appear that way sometimes, but we really are trying to get out of housing. This is just one part of that overall package to bring us to a better fiscal position. I know that it is sometimes hard for Members to keep up with how these things tie together, but believe me, ultimately at the Department of Finance we do tie all of those numbers together. By doing this particular exercise, people say you are only going to \$500,000, \$2 million or \$2.1 million out of this. The fact that it is part of a larger package, it is bit of a strategy whereby this is just a piece of it, overall we will attain a balanced budget and we will come out of this in a better fiscal position. It is true that earlier this evening somebody mentioned that we will be the only budget that will be balanced in Canada this year. The Yukon have made some drastic steps now and it is my

understanding that they will be in a position of some \$440,000 surplus this year as a result of drastic tax increases and they have made some cut backs. I understand the year before they were in a deficit position of some \$58 million. They have changed things around dramatically and there will be two jurisdictions in Canada this year, assuming these bills pass, that will be in a balanced position. Mr. Chairman, at the present time, as we sit, if these bills pass, we are actually in a deficit position of some \$992,000. I would hope that I would be able to pick that up throughout the year, here and there, and perhaps cut back on some of the supplementary appropriations. I think I have addressed the issues that Mr. Koe brought forward. Certainly people should not feel, and I cannot speak for future Finance Ministers or future governments, Mr. Chairman, but people should not feel that next year I am going to bring this bill back and ask for an increase, because I can count and I know there is 15 on that side and eight on this side, and I do not think I would get away with it. Ultimately where there is these tax measures if a new government or if a new Legislative Assembly or a new government of a new Legislative Assembly want to increase this tax they are certainly going to have to bring it before these people. Ultimately it will come back here. It is not giving me a blank cheque to be able to go out and insert the numbers which I think are required. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pollard. Mr. Koe.

**MR. KOE:**

That was not as impassioned as I wanted it but there was a little passion in there. Thank you. Can I hear from the Minister that the cost of administration of this tax on businesses in the Northwest Territories is going to be negligible. Can you state that it will not be costing employers in the Northwest Territories an increased burden to administer this tax?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, it is going to be reasonably negligible. They are going to have to change some of their computer programs, the people who are generating cheques by Accpac or Bedford, or any of the other programs which generate payroll. However, I think

the employers end of this part of balancing our budget is the extra time that it is going to take for someone to make that additional deduction and then make a remittance back to us in the form of a cheque to remit what they have taken from their employees. I cannot say it is going to be negligible but certainly it is their contribution to balancing the budget. Mr. Chairman, I would point out that there will be only 79 companies who will be remitting monthly. There will be 68 companies remitting quarterly. There will be 316 companies remitting semi-annually. There will be 2,268 companies who will be remitting annually. Mr. Chairman, I will not have to tell those companies that as they deduct the money from their employees, and if you are a small company and you do not have to remit until the end of the year they may get the benefit of those funds for a month, quarterly, semi-annually, or annual. I do not know how they conduct their business but it would appear to me that they would be gathering funds that they would ultimately remit to us. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Koe.

**MR. KOE:**

My final comments, Mr. Chairman. I have expressed my viewpoints and my position earlier on today. We have been wrestling with this since it was first proposed. I am in a similar position that Mr. Arrngna'naaq had indicated, between a rock and a hard place, in terms of where I personally sit on this issue. Many of my colleagues made comments earlier on how they felt about the process. I made some comments also. I do not think the process was well handled. It would have been difficult going out to employees and telling them we want to tax them and ask them how they felt about it. I know the response you would get. I still feel that they deserve an opportunity to express their feelings. So far, we and a few selected people have expressed our feelings on this proposal. I have also expressed my concerns in the Standing Committee on Finance. I believe, very much, as participating in as many committees as I can. I believe very strongly in the committee structures and the processes that we use in this Assembly. I stated in the Standing Committee on Finance, I was given an opportunity to talk, which I appreciate, even though I am not a Member of the committee. I stated to them that I would support whatever recommendations they came out with on this bill. However, they did not come to a full agreement. I have given it, obviously, a great deal of

careful, sober consideration. I have listened to all of my colleagues and all of their comments. Earlier today I stated emphatically that as the bill stood and because of the comments made in the standing committee's report earlier that I could not support the bill. I have since in the last six hours changed my mind and I will not, at this stage, oppose the bill but I will not also be supporting the bill. I will stand by the SCOF recommendations and abstain from voting on it. Mahsi.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. Are there any general comments? Does the committee agree we go clause by clause? Mr. Koe.

**MR. KOE:**

I do not feel that we can until we have a quorum. I think all Members should be here to approve the clauses.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Koe. I shall ask the Clerk to sound the bell. Thank you. Clause by clause. Mr. Antoine.

**MR. ANTOINE:**

For the record, whenever we talk about taxes and as a Dene I have certain rights with Canada under my treaty. One of the areas we have is the area of not paying taxes. As for the people who do not know this, as a treaty Indian whenever I travel in the provinces and even visiting the

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reserve in Hay River, I do not pay taxes because I am a treaty Indian and I have a treaty card. That gives me the right not to pay taxes, GST, or if I work on a reserve I do not pay income tax. So, these are the rights as a treaty Indian I am entitled to. I was asked by Members in my constituency who are treaty Indians, if this new tax we are trying to impose goes against those privileges. That is one of the areas where the chiefs have been saying it has not been cleared up between the government and the treaty Indians in the Northwest Territories. There are members in my band who have filed claim and got reimbursed by the federal government for being chiefs in the communities under designated band land. So, that whole area has not been cleared up with this government yet. Before clearing it up and having a good view of it, what we are going here is imposing



upon the rights of treaty Indians. There are treaty Indians in this Assembly and on the Cabinet, and it is going to be difficult for you to vote in favour of something like this because you are imposing upon the treaty rights of your fellow treaty people in the north and that is one area that has not been cleared up.

In the land claims negotiation it was a very contentious issue. There are some regions that have presently negotiated and they are going to be paying taxes in the future in certain areas. There are other ones like in Treaty 8 in the south and Treaty 11 in my area, we have not negotiated that particular part. So, in that particular area I have been asked to raise this in the House that there is a real deep concern from people about peoples.

I understand that Treaty 8 Indians wrote a letter to the Standing Committee on Finance raising that issue on the original go-round for consultation. I was wondering if the Minister could tell me in the House if any work has been done to deal with this problem we have as treaty Indians. Thank you.

**CHAIRMAN (Mr. Whitford):**

Mahsi, Mr. Antoine. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, this act will be exactly the same as the Income Tax Act of Canada and it will also respect the Indian Act. Mr. Antoine is correct that on a reserve, for instance the Dene reserve in Hay River, wages earned on that particular reserve are not taxed either by the federal government nor will they be taxed by this piece of legislation.

With respect to the treaties and the problem with the federal government and the concerns of the chiefs about taxation in general in their treaties, that issue has not been resolved. Mr. Antoine is correct, it has not been resolved and if it is resolved with the federal government then it affects then presumably, Mr. Chairman, it would affect this act as well. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. General comments. Does the committee agree that we proceed clause by clause?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Clause By Clause

**CHAIRMAN (Mr. Whitford):**

Clause 1.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 2.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 3.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 4.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 5. Mr. Dent.

**MR. DENT:**

Thanks, Mr. Chairman. Perhaps for the record, could we get the Minister to outline the proposed regulations regarding the collection and remittance of tax, an idea of how often firms will be required to remit, for instance, and some of the regulations which are referred to in this section?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Dent. Minister Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, with regard to the frequency of remittance, if companies have an annual payroll of greater than \$1 million we believe at the time we did the numbers there were 79 of those companies, Mr. Chairman, they will be required to remit monthly. If the annual payroll is between \$600,000 to \$1 million we believe there are 68 of those companies, they will be required to report to us quarterly. Mr. Chairman, if it is between \$200,000 and \$600,000 for an annual payroll, and we believe there are 316 of those companies, they will be required to remit semi-annually. For those companies whose annual payroll is less than \$200,000 we believe there 2,268 of those companies, they will be required to remit annually. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Pollard. Clause 5.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 6.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 7.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

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**CHAIRMAN (Mr. Whitford):**

Clause 8.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 9.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 10.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Clause 11.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Whitford):**

Mr. Antoine then Mr. Dent.

**MR. ANTOINE:**

Thank you, Mr. Chairman, I would like to ask the Minister if he could explain to us the area of the penalties in clause 11. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Antoine. Minister Pollard.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Clause 11 is the penalties. The first penalty is a penalty of ten per cent of the amount that should have been collected for the first infraction. If you do it two times in a year then it is 20 per cent of the amount that should have been collected for any subsequent infraction which occurs in the same 12 month period.

Mr. Chairman, there are also similar penalties for companies who do not remit the tax to the government at the proper time. There is also a penalty for people who fail to provide any information or document as required in the act, and that penalty is \$100. There are penalties for people who fail to file a return when required. It is the greater of \$250 or five per cent of the amount of tax payable by the person for the period specified in the demand that was unpaid or unremitted. There are a number of penalties. If further clarification is required, I will give them, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 12.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 13.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Clause 14.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Clause 15.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 16.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 17.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 18.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 19.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 20.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 21.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 22.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 23.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 24.

**SOME HON. MEMBERS:**

Agreed.

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---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 25.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 26.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 27.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 28.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 29.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 30.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 31.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 32.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 33.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 34.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 35.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 36.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 37.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 38.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Mr. Dent.

**MR. DENT:**

Mr. Chairman, I notice the Minister may extend the time for filing a return. What set of circumstances were foreseen that this might be something necessary to have in the act?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, that would be in the case that there was an emergency or something unforeseen had happened. It just gives the Minister of Finance the option of extending the time for filing. As I say, it is not fair to be used every day, it is just there in case it has to be used in the event of an emergency or something unforeseen. Thank you, Mr. Chairman.

**MR. PATTERSON:**

Thank you. Clause 38.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 39.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 40.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 41.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 42.

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**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 43.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 44.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 45.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 46.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 47.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 48.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 50.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 49.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 50.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 51.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 52.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 53.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 54.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 55.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 56.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 57.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 58.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 59.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 60.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 61.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 62.

**SOME HON. MEMBERS:**

Agreed.

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---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 63.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 64.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 65.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 66.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 67.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 68.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 69.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 70.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Mr. Dent.

**MR. DENT:**

Thank you, Mr. Chairman. Just for the record, I would like to hear from the Minister that the proposed regulations will in fact look very much like Tabled Document 104-12(3). The Minister has not made a statement or commitment to work with these regulations which were tabled in his absence in the House. Just for the record, I would like to hear the Minister agree that these are the regulations we will be working with.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, there will be more detail, just to make sure it is an understandable set of regulations. The only substantial difference in the tabled document and the regulations that will be in place will be the addition of the \$5,000 threshold that we changed the act to allow in the regulation a \$5,000 threshold for people who are working a bit in the Northwest Territories and not earning more than \$5,000. That is the only substantive change to the regulations, apart from more detail, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 70. Mr. Koe.

**MR. KOE:**

Clause 72, retroactivity. I know there is section 2(a) has a relieving effect. I am sure the Minister is relieved. I assume this regulation only provides retroactive relief after the bill comes in effect. I guess none of this comes into effect until July 1, but what is the statute of limitations in terms of this type of clause in dealing with this kind of tax? How far back can one go?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, that regulation would only be allowed to be retroactive if it meets one of those criteria. It has a relieving effect only, it corrects an ambiguous or deficient enactment that was not in accordance with



the objectives of this act. It is consequential on an amendment to this act, et cetera. It allows a new regulation to be retroactive to the enforcement or the coming into force of this particular act. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 70. Mr. Koe.

**MR. KOE:**

I would like to make a comment. After all these many years we are still passing acts with ambiguous words or words that would be difficult to translate or difficult for uneducated people to read or understand. It has always been a complaint and we should try to do things in simple language, yet as bills come forward we continue to use words such as are in this clause. That was just a comment, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 70. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Clause 71. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Bill as a whole. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Is it agreed that Bill 27, Payroll Tax Act, 1993, is ready for third reading. Agreed?

**SOME HON. MEMBERS:**

Agreed.

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---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. What is the wish of the committee? Mr. Dent.

**MR. DENT:**

Mr. Chairman, I would recommend we move to Bill 26, An Act to Amend the Income Tax Act, No. 2.

**CHAIRMAN (Mr. Pudluk):**

Is this committee agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Bill 26: An Act To Amend The Income Tax Act, No. 2

**CHAIRMAN (Mr. Pudluk):**

Thank you. Bill 26, An Act to Amend the Income Tax Act, No. 2. Would the Minister like to make opening remarks?

Introductory Remarks

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. The bill before you would grant an income tax credit to tax payers filing as Northwest Territories residents. For a representative tax payer earning \$40,000 the credit should be \$400, or if a person is earning \$50,000 and \$60,000 the credit should be \$490 and \$565 respectively. The tax credit would come into effect on July 1, 1993 and will be at half of the rate that will apply for 1994 and subsequent years. All Northwest Territories tax payers will receive with their 1993 income tax return an additional form to calculate the tax credit. The application for the tax credit will therefore be part of the annual income tax return sent to the federal government. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Does the chairman of the Standing Committee on Finance have any remarks? It was concluded in the other report. Mr. Antoine.

**MR. ANTOINE:**

Thank you, Mr. Chairman. The Standing Committee on Finance included our remarks in our report. It was a combined report. We have dealt with that report already.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Are there any general comments? Is this committee agreed that we go clause by clause. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 1. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 2. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Clause 3. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Bill as a whole. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Is this committee agreed that Bill 26, An Act to Amend the Income Tax Act, No. 2 is ready for third reading. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. What is the wish of the committee? I would like to thank the Minister and his witnesses. Mr. Dent.

Committee Report 10-12(3): Report On Tabled Document 21-12(3): Payroll Tax Act

**MR. DENT:**

Mr. Chairman, I would like to suggest that seeing as we have dealt with the Payroll Tax Act, that we could agree that Committee Report 10-12(3), Report on Tabled Document 21-12(3): Payroll Tax Act was concluded.

**CHAIRMAN (Mr. Pudluk):**

Is this committee agreed that Committee Report 10-12(3), Report on Tabled Document 21-12(3): Payroll Tax Act is concluded. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Mr. Chairman, I would like to suggest that we deal with Tabled Document 133-12(3) and Tabled Document 134-12(3).

**CHAIRMAN (Mr. Pudluk):**

Is this committee agreed?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

Tabled Document 133-12(3): Evaluation Of The Financial Operations Of Expo '92 Revolving Fund And  
Tabled Document 134-12(3): Aurales Expo '92 Revolving Fund Account Balance Sheet, March 19, 1993

**CHAIRMAN (Mr. Pudluk):**

Thank you. Evaluation of the Financial Operations of Expo '92 Revolving Fund. Mr. Dent.

**MR. DENT:**

Mr. Chairman, after reading the report on the evaluation of the financial operations of Expo 1992 I have some questions which I would like to ask the Minister of Economic Development and Tourism. I was quite concerned when I saw

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the way the office of the Comptroller General found, or how they reported that they had found the way the government operation was managed, especially in its bar and restaurant inventory. It was incredible to see that inventory control reports were not produced, that gross margin reports were not produced, there were no daily inventory procedures to ensure that food and liquor sales were recorded, guest tickets were used for food orders, but these were not pre-numbered or recorded. There were no procedures in place to ensure that liquor consumed corresponded to liquor sales. Mr. Chairman, the list of management deficiencies in controlling inventory and sales goes on and on.

Mr. Chairman, recognizing that these sort of things are the things that every bar manager or restaurant owner knows how to do everyday. I was wondering if the Minister could explain how the on site administration of our food and liquor operations could have been so badly carried out.

**CHAIRMAN (Mr. Pudluk):**

Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I was not physically there so I cannot say first hand. As I have said to you before, we were dealing at some distance, we were dealing with different time zones, we were also dealing with a system over there that was very frustrating for the staff that were there, to try and get inventory and stock into the country and to try and get our inventory which was in Spain out of the bonded warehouse that was controlled by the Spanish authorities was very difficult and frustrating. Deliveries did not always occur when they were supposed to occur. I can see that in the food and the beer end of things, and I could sense from the reports which I was getting that there was a great deal of frustration with those kinds of things.

I think in the arts and crafts area there was probably better control. Mr. Chairman, I cannot say to this House why these kinds of things happened. I know there was not enough office space. I know there was not enough staff. One of the things I found out, being a private business person who has become involved with government is that when I ran a business I would have had to have another 15 or 20 per cent more staff to comply with all the rules and regulations within government, if I had to have those same rules and regulations with operating a business. We were trying to keep the cost down. I did not allow the staff to increase. I would not send as many staff as people were advising me to send, because I knew going in that I had to keep the thing as lean and mean as possible. I would imagine that for some of those reasons, Mr. Chairman, some of these things were not done. Thank you.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Thanks, Mr. Chairman. I alluded to this earlier today. I think this may have been a situation where penny pinching may have cost us more in the long run. I guess I take some exception to the Minister's reply in terms of inventory controls being better in retail, especially arts and crafts. This government brags a lot about the opportunities that Expo would create for artists and crafts people, and would have expected that variable art and craft work would be treated with care. On page 15 of 20 of this report where it is talking about the retail inventory, the first weakness noted was that there was no inventory control systems. What explanation can the Minister provide

for the lack of any inventory control system in Expo retail operation?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I met George Ferrand before he went to Expo. He had been connected with the department. I believe from the reports I received that although maybe on paper to an accountant there was no proof that there was inventory control, but I have faith in the fact that I believe Mr. Ferrand exercised inventory control over the items that were under his jurisdictions. The unfortunate part about it, Mr. Chairman, is I cannot prove that. However, I have enough faith in the man to say he knew what was there and what was being sold, and had some control over it. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Mr. Chairman, the Minister just a moment ago mentioned that he become aware that there were perhaps some problems along the way. I notice that the Comptroller General has reported, for instance, that the cash register controls were not always maintained and there were days when cash flow shortages were as much as \$120 Canadian. I think these are clear warning signs that there were serious problems in the management of food and liquor operations. I think that is a field in which the Minister has some experience in a previous job. Also, when the Minister told this House that he and his department would be very closely monitoring the field operations, I was wondering if he would tell us how he could miss those signs that were coming back. He mentioned he did see some of the signs. How could he miss how important they might be, and why did they not get addressed? Why did he not feel they were important enough for him to perhaps jump on a plane, go over there himself and investigate what was happening?

**CHAIRMAN (Mr. Pudluk):**

Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, the problems which were occurring there were not something that I could have gone over there and solved. The problems that I saw coming back were frustrated messages from Mr. Ward who was running the show for us, about an inability to get stock and so on and so forth, and some interference by the authorities over there. So, I think the supervisors were trying to keep the thing going and address all those other outside irritants, and that at times they had problems when there were two or three people who ran the cash register. I am sure they knew that was wrong. However, I think when you have a restaurant that is full and you have to put extra people on, sometimes all those procedures are not followed. Mr. Chairman, Mr. Dent is correct. I have been in that business and I know how easy it is to lose money at those cash registers. I also know that when you are putting the customer first, which is what I had told those people to do, you make changes for whatever reason, maybe someone gets sick or gets busy, or there is a shift change and you are busy and you do not have time to count the cash out and back in again, that those kinds of things that happen is shortages. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

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**MR. DENT:**

Thanks, Mr. Chairman. I only have a couple more questions for the Minister. In his report, the Comptroller General points out that the inventory records were considered inadequate. I think we have agreed to that in the last couple of comments. In recognizing that there were 30,000 pounds of musk-ox meat which is valued at over \$300,000 left over in the inventory of the food operation, can the Minister advise who was responsible and what criteria were used to make decisions about the volume purchase of food and liquor supplies?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, the department made some contact with suppliers prior to the staff being hired to go to Seville. They had made some estimates about the amount of meat they would require et cetera. So, I do not think having an excess in Seville could be

attributed the people who were actually on staff there. That was a result of people at the Department of Economic Development and Tourism in Yellowknife forecasting and making arrangements to have those products in advance and having them shipped over there. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Thank you, Mr. Chairman. I want to point out, that dollar value represents about 34 per cent of the amount of total sales in the restaurant. I am just astounded that the procedures used could be so far out of whack for projecting the volume of food stuff that might be sold. I do not have any more questions, Mr. Chairman. I just wanted to express dismay over the situation where the Minister knew there was some concern in this House that this was going to lose a lot of money for the Northwest Territories, those concerns had been expressed by a number of Members. We were assured that proper controls would be in place and that this would be looked after. I am not convinced that the sort of tightness that we had expected from the Minister when he knew the number of concerns that were being expressed about the operation were there. I really find it hard to understand. I guess, Mr. Chairman, it is all after the fact and I can only hope we have learned a great deal from this lesson. I know I certainly have my fingers crossed that we sell a lot more goods in Europe and that we see more tourists, but to be honest I think it has been a gross overexpenditure for what the potential value is for us to receive. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Mr. Koe.

**MR. KOE:**

Me too, I am shocked and dismayed.

---Laughter

The evaluation of financial operations of Expo, I think the report of the Comptroller General is pretty clear and pretty damning in terms of compliance with the Financial Administration Act. I know this is supposed to be a business but it is a government business. Members of this committee raised concerns last spring when the operation started and mentioned

some projections to the Minister, at which time I think they estimated a \$1.8 million loss. Today, we see we are in a \$4.2 million loss. Then it has been brought to our attention all the deficiencies and weakness as they are called in the report on the controls and adherence to proper financial management and financial administration.

There are several things I would like to raise. Knowing that we are a year late and \$4.2 million short, total sales -- this is at the March 19, 1993, accounting -- were \$1.74 million. The net loss of the entire operation is \$4.2. Just a quick analysis, there is some \$5.9 million of expenses and write offs that have occurred.

**SOME HON. MEMBERS:**

Shame, shame.

**MR. KOE:**

It is one hell of a way to run a business and I hope this is not reflective of how we are going to do other operations in the future. I know it is another one time operation, another one time shot, but it just astounds me how sometimes we do these types of operations and businesses.

The one question I have on the operating cost of goods sold. We have an item called ending inventory and there is a negative amount. How can we end up with a negative amount of ending inventory? It is (\$398,432). Can the Minister elaborate on this, please?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, the (\$398,432) comprises of 29,000 pounds of musk-ox meat valued at \$316,643, and arts and crafts in the value of \$81,789. I think Mr. Koe is correct, it is the way it is presented because the numbers add up. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Koe.

**MR. KOE:**

I have some questions on the letter that the Minister wrote on the disposal of inventory and assets. The

total cost of items sold, which is a car, equipment and fixtures from the restaurant, equal \$274,500. The depreciation of this \$275,000 was \$247,000. So about 90 per cent of it has depreciated. Is this standard practice to have such a heavy depreciation of these types of assets? You are writing-off almost all of it.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I would have to bring in one of my staff to explain the accounting procedure for the breakdown. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pudluk):**

Does this committee agree to bring in his officials? Proceed, Mr. Minister.

**CHAIRMAN (Mr. Ningark):**

Mr. Minister, for the record, would you introduce your witnesses please.

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. I have with me Mr. Jim Kennedy, who is the director of finance for the Department of Economic Development and Tourism.

**CHAIRMAN (Mr. Ningark):**

Thank you. General comments. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, with regard to the breakdown, it was because it was a one-time short-term exposition. It was written down over that period of time

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because that was the right way to do it for those one-time shows.

**MR. KOE:**

Thank you. So the book value is \$27,700 according to your document and we gave away all those goods for \$23,800 and we still ended up with a loss on our values. We could not find buyers, how much effort was put into looking to sell all the goodies that were left over from this one time only show?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I think about six weeks before the close of the exposition there were feelers being put out as to how to dispose of the assets that we had over there. I think that the staff did a reasonable job. As Mr. Lewis has pointed out to me on a number of occasions, there is not a lot of money in Spain. So I think they did the best they could with being in a country that was foreign with a foreign language, although the majority of them could speak some Spanish. The fact that we were pressed for time towards the end -- how long do you sit there on a pile of inventory and say I am asking for a better price. It was a bit of a buyers market there, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. The Honourable Member for Inuvik.

**MR. KOE:**

Another area that I am quite astounded by is the area of food and liquor. My colleague from Yellowknife South, or wherever he is from, mentioned the musk-ox meat. The area that interests me is where a Spanish company that is responsible for transporting and storing supplies did not return the liquor left at the end of the fair. It goes on to say "The liquor inventory included 48 cases of vodka, 50 cases of gin and 50 cases of white rum. My quick calculations are 1,776 bottles. Your letter the value of that 1,776, assuming they were all full cases and full bottles, was \$3,400 and I assume that is Canadian. Again, my quick calculation says that these bottles are worth \$1.91 Canadian. It does not seem very much. I am wondering how many pesos that is worth in Spain. You can do a lot of damage and make a lot more money than \$3,400 and there is a sellers market in Canada for all of these 148 cases of liquor.

**CHAIRMAN (Mr. Ningark):**

Thank you. People do more business under the influence. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, there were a number of strange things that happened over there. For instance, we had an arrangement with Moosehead beer to sell beer in the

restaurant. First of all, we could not get it out of storage and then another time they wanted us to mark a "good before date" on each of the boxes of beer and eventually they got it down to a good before date on each bottle of beer. One time the staff went over there to get the beer and it was all turned upside down. There were a number of strange things that happened in the storage and transportation of these items. To get to the question, we received most of this liquor for some extremely low prices, Mr. Chairman. I do not have the prices here, but if the value is being stated at \$3,400 Canadian, that is probably what it was because we did get some really cheap deals with liquor companies and with Moosehead beer. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Koe.

**MR. KOE:**

That does not mean we just leave it. The item before that, the beer and wine stored at the warehouse valued at \$35,900 was sold to a Spanish resort for \$11,800, a loss of \$24,100. Again, I am just wondering why do you not give the damn stuff away -- I am sorry for my language. It seems to have been dumped, or absconded. The control seems a little lax and that is the point I am trying to make.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, with regard to the beer, do not forget they had insisted that we put on a best before date so we were stuck with a product that was fast running out of time. We tried to sell it to the American forces in Germany, we tried to sell it to other armed forces in Germany. We figured that some American C-130 would just hop in there and pick all that beer up and take it away at a responsible price. We were unable to do that. Taking wine to Spain is like taking coal to Newcastle. The value of the wine was not that great over there and in the end the staff sold the beer and wine for the best price they could get for it. As I said, it was a buyer's market.

With regard to the missing liquor, I do say in the letter we did have an outstanding balance with that company and we are taking that money off the cost we owe that particular company, Mr. Chairman. So there will be some recapture there. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Koe.

**MR. KOE:**

In the evaluation report the conclusion by the office of the Comptroller General, "It is our opinion that all parts of section 12(2)(c), the Financial Administration Act were not complied with." Can the Minister advise if any disciplinary action or any action has been taken for the non-compliance to this act as part of the follow up of this whole Expo affair?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I received this report the same day that I tabled it. I have not had a chance to sit down with the Comptroller General to go over it with him and get his suggestions on whether or not there should be any disciplinary action. My feeling is that what the Comptroller General is pointing out to us is that all of the parts of section 12(2)(c) of the FAA were not complied with and that relates to the weaknesses that he pointed out in the systems. I will sit down with the Comptroller General and go over that issue with him and see whether he is suggesting that there should be some disciplinary action. Then I will take it from there, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, kindly. Mr. Whitford.

**MR. WHITFORD:**

Thank you, Mr. Chairman. One of the things in the report does indicate there was probably a lack of communication. As a matter of fact, that runs through most of the weaknesses identified in this report. It appears, from the Comptroller General's findings, Mr. Chairman, that the project right from the start was plagued by inadequate communication from the Minister's office in Yellowknife and manager in the

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field in Seville. I do not want to use strong words, but the buzz word I would use is, it is a disgrace to see some managers were not provided with information about financial transactions made by other managers. When we are dealing with money it is certainly an

important subject and it was almost from the start a total breakdown in communication when it came to reconciling accounting data and controlling inventory. There was almost a total breakdown according to the report. I know the Minister had taken some action not too long after he became responsible for this portfolio, but can the Minister indicate whether he provided any specific directions to the senior officials in Yellowknife regarding the level of priority that they were to place on communicating with the managers in the field. If there were obvious problems, there should have been some priorities given to this, but can the Minister indicate whether or not he provided any specific direction to the senior people in Yellowknife, regarding the level of priority they placed on communicating with managers in the field. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, the problem that I was faced with when we began to move over there was should the people on the ground over there have some management control, or should it be all directed and the strings all pulled from Yellowknife. I made the decision it would be better if the people were controlling it on the ground over in Spain, because of the time difference, because of the difficulty in communication, so on and so forth. Yes, there were financial decisions being made here, largely as a result of a requirement that would be anticipated for Seville or something they had order, or had faxed over and said we would like to have this. I think there was maybe some misunderstanding. The people in Yellowknife might have thought they did not have to report to Seville, that it should be the other way around. Yet, of course, we find out there was some information that the finance person on the ground in Seville did require. So, did we give it a priority? The priority was to support them over there, Mr. Chairman, and perhaps we were a little lax in supporting them with financial data in some cases. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. The Honourable Member for Yellowknife South.

**MR. WHITFORD:**

Thank you, Mr. Chairman. Recognizing that the Minister indicated that his office was going to carefully monitor what was taking place in this project, almost from the outset, surely there were indicators that would strongly suggest there was a communication problem. Could he indicate what made it difficult for the people here to spot and correct this communication problem earlier in this project? We are in the 1990s and we do have very good telecommunications and surely there were some indicators early on. What made it so difficult to spot these problems?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, well most of the time the fax did not work. There were times when I called over there myself and the phones did not work. It was a bad situation for those people over there and one of the things I was trying to do was not get on their backs too much because at times I could spot that morale was fairly low. I guess in the heat and after having to argue with the Spanish authorities for two or three hours, after having to go through all of these procedures that the staff had to go through to get things done and then have to wait and wait, fighting with Canada about the length of the Imax film because we were not getting as many pulses as we had agreed to -- we were getting three pulses an hour as opposed to four -- there were all of these things that were going on. All those things lead to it being difficult to get the right person and the right time. I had also made it clear to the department that I did not want to see them dropping everything that was going on in the Northwest Territories, just to support Expo, because we had a job to do here as well. At times it was difficult to get a hold of people and difficult to fax information back and forth, or get them on the telephone. There was not a damn thing I could do about it, Mr. Chairman, because I got told many times by the staff that were over there, the Spanish authorities just looked and said "We will get on it as soon as we can." Fast service to them might be a day or a day and a half. There was a lack of communication, but it was not because people were refusing to talk to one another or did not want to send the information, it was just a matter of fact, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**



Thank you. I guess Murphy's Law was in the works.  
Mr. Whitford.

**MR. WHITFORD:**

Thank you, Mr. Chairman. Just a closing comment. We certainly know that hindsight is always 20/20 and in fact, yes, we have learned a very valuable, but expensive lesson. I do know that the Minister was a businessman at some point of his life and I think when a business is indicating some problems that it is not moving in the direction that the businessman wants, that you do something. You do something about it before catastrophe strikes and creditors are on your door. This, in future, probably should be a rule book that we can follow that if we do run a project like this again, God forbid, that we not be afraid to lean on whoever is in charge or responsible. If it is our objective to break even or to make money, we must be on top of these things before they become problems. As the saying goes, "Do not be afraid to ask silly questions because they are easier to answer than silly mistakes." We have indeed learned a lesson from this.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister. That was a general comment. Mr. Patterson.

**MR. PATTERSON:**

Thank you, Mr. Chairman. Mr. Chairman, perhaps we should have listened to Gordon Wray's first pronouncement on Expo in Spain. I recall vividly Mr. Wray coming back from a controversial trip to the Canary Islands and maybe there was an oman there because he and his deputy got food poisoning when they were on that visit. Then when they came home they got bad press. Gordon defended the trip in his usual vigorous fashion by saying, "Do not worry, I have saved the Government of the Northwest Territories millions of dollars. I have decided we will not go to Seville."

---Laughter

Unfortunately, he later changed his mind, Mr. Chairman. We should have listened to him the first time and I am sure the present Minister of Economic Development agrees. Thank you.

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**CHAIRMAN (Mr. Ningark):**

Thank you very much. Mr. Minister, do you agree?

**HON. JOHN POLLARD:**

Mr. Chairman, I am sure Mr. Wray, whose footsteps I have followed in, in not only this project, but in a whole lot of others, had excellent intentions. I have not changed very much in the way the department does business from the way that Mr. Wray had set the plans forward. In this instance, what killed us was being too far down the road at the change of the government to make a decision not to go, and bad forecasting as a result of the numbers that were given to us by the Spanish authorities, by the people who were operating the fair and by the Canadian authorities. As I said, the pulses through the Imax theatre, which we depended upon because they made the film three or four or five minutes longer, so they cut down the number of pulses and that cut down the number of people who were going through the pavilion.

Mr. Chairman, have we learned from it? We have learned enough to tell them when they asked us if we would go to Korea, to say no and I would recommend against any of these expositions in the future most vigorously, even to Mr. Wray. Thank you, Mr. Chairman. I just want to say that I do not think Mr. Wray had any bad intentions, I think he was making a decision based on the numbers and information which was placed before him and I believe Mr. Wray was acting in good faith. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. General comments. Mr. Antoine.

**MR. ANTOINE:**

Thank you. I wanted to say about Expo that my understanding was to go over there and show the world what we could do. That way the idea was to show them how we do things. We spent a great deal of money doing that. From what I am hearing and from happened there we sure showed them how we do things.

---Laughter

I think it was a heck of a mess, Mr. Minister. I guess one of the ideas to go over there was to see if we could show the people how we do things and maybe attract them to come visit us. Maybe by showing how we do things over there, maybe that is the reason why we do not get any visitors from over there now.

---Laughter

That is the point I am trying to make, Mr. Chairman. We went over there. Some of the people who went over there, my constituents, do not want to talk about it. I do not know why but they do not really want to talk about the experience there.

When I was first getting involved in politics I was the chief and I used to meet with the elders. One of the things they always drilled into me was whenever you are going to do something, you try to best you can. That was the advice I was given and I try to follow that. My advice here to this government is listen to that advice and try the best we can. In this case I do not think that happened because of the money was spent and the way things happened. We certainly did not try the best we can, I do not think, because of the situation we find ourselves in today. These are the comments I wanted to make at this time, Mr. Chairman. Mahsi.

**CHAIRMAN (Mr. Ningark):**

Thank you. I want to apologize to Mr. Arngna'naaq. He had his hand up earlier but I guess I did not write it down. Member for Kivallivik.

**MR. ARNGNA'NAAQ:**

Thank you very much, Mr. Chairman. I think we should remove those pretty flowers in front of you.

---Laughter

Maybe give you some glasses.

---Laughter

Thank you, Mr. Chairman, I have a couple of very basic questions for the Minister. In the conclusion of the Comptroller General's report, they indicated that section 12(2)c) of the Financial Administration Act had not been complied with, as Mr. Koe mentioned. It indicates that all public property was not properly controlled. I would like to ask the Minister, as he indicated the employees in Yellowknife could not drop all they were doing to assist in what was going on in Seville, can the Minister advise whether the Expo managers were given any kind of training or direction or whether they knew the requirements under the Financial Administration Act before taking on their duties at Expo? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, I am getting a little concerned with the kind of light that people are putting on this exposition. I want to tell you right now that you may be reading into this document from a very precise auditor chartered accountant number cruncher kind of view that our people were over there throwing money away with both hands, steeling, not doing their jobs, and that is not true. Those people were over there representing the Northwest Territories, not very many of them quit and came home, Mr. Chairman, three only. Mr. Chairman, those people were doing their job to the best of their ability, and I do not like the idea that this was a mess. These people represented the Northwest Territories as well as I could have expected them to do it.

What we are talking about here are some internal controls that the Comptroller General of the Government of the Northwest Territories is not happy with, but it should not be considered that this exposition was a mess as far as the Northwest Territories was concerned. I received one complaint from one customer and his wife over the way they were treated in that particular restaurant on that particular day. One complaint. I had nothing but good things said to me by the provinces who were over there and used our facilities, and asked us to cater to the people who they were entertaining. I had nothing but good things said to us by Canada for whom we did a lot of work entertainment wise, et cetera. So, I do not want anyone to think we let the side down. What you are looking at here is a very technical document that says the Comptroller General, with all the might of the Financial Administration Act was not happy with the way we accounted for some of those things over there. That does not mean that our staff were thieves, they were not.

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Mr. Chairman, the reason in many instances that the Financial Administration Act was not complied with is because the people could not comply with it. The inventory control system that the Spanish had put on only to take 32 characters. Therefore, there had to be groupings of inventory. The cash registers they supplied us so they could keep track of the sales that were going on so they could ding us for whatever percentage that was theirs, did not work some of the time. It is impossible to keep someone at a cash

register in 45 degree heat, you have to switch them off. So, if you switch them off every hour and a half or every hour are you going to count out the float and count it back in again? The people on site made the decisions to do those particular things for very good reasons.

I am getting a little passionate right now, Mr. Chairman, because I do not like the inference that I am hearing that they were lax and did not do the job to the best of their ability. Mr. Chairman, we had 48 people from the Northwest Territories working over there, very little trouble with them. Compared to the exposition that occurred in Vancouver, it was just night and day. They were all trained before they went over there. They all knew what they were getting into. The Arctic College program they all went through trained them exceptionally well, simply because they stayed for so long.

Mr. Chairman, the supervisors, Mr. Ward, had been in private business, had done inventory control, he was an ex-member of the Royal Canadian Mounted Police, impeccable character, and as I said he had been in private business before. George Ferrand, another person of good reference with a good history and a good record with something like 20 or 30 years. He had been in the business a long time. He knew what inventory control was, he knew what he was doing over there. The people in the restaurant side were experienced, they were not people who were just picked up off the street, it was an experienced restaurateur.

Many of these things you are seeing here, when you look at them in black and white on the paper, they look damning. I will repeat once again that the exposition over there, if you want to say, was a success for us. It put a good light on the Northwest Territories and got us a good reputation. Maybe we did not make any money, well that is fairly obvious. Maybe we lost a lot of money, but we certainly did not lose face and we did not let the Northwest Territories down, and I do not think our staff were pilfering or being irresponsible. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. The chair accepts no allegations in this House, just as the Speaker accepts to hypothetical correction in the House. Mr. Arngna'naaq.

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I do not want to be pressing the Minister for something he had not done, but in addition to the very basic requirements of the Financial Administration Act, there were other management principles that any good businessman would have complied with that the managers did not comply with. I realize the evaluation done here was done by a professional financier manager, but page seven of his evaluation report says, "There were no management information systems." Now which manager does not use an information system? Management reports were not prepared. I am wondering if the Minister had considered that the evaluation of management practices part way through the Expo operation to identify any problems there may have been had been considered or may have been appropriate part way through the exposition in Seville. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. The honourable Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, the information was kept manually. The inventory which had to be counted were the items which were not in the warehouses and those were the items which were on site. There was some manual accounting kept of inventory, sales and so forth. I certainly received, just about every day, a sales report. So, someone had to be keeping some kind of record over there to tell me how much food and liquor was sold, and arts and crafts were sold in a particular day, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. The honourable Member for Kivallivik.

**MR. ARNGNA'NAAQ:**

Thank you, Mr. Chairman. My question was whether records were kept. My question was whether the Minister or any of the managers here in Yellowknife considered doing an evaluation or going over and evaluating to see if there was any assistance or any problems that there may have been part way through the exposition. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, early in the exposition I sent over Kit Spence. I did not go myself, I sent Kit Spence over because he was the most familiar with the exposition, had been with it almost from day one and he went over and changed a number of things. Later on we sent over another person from our finance department at ED&T to give some more assistance. After that we sent Mr. Spence back again towards the end of the exposition to help with the wind up. So, there were some actions taken during the course of the fair.

You can see on page nine of 20 you can see some of the things that were done. There were things done that tried to account for how much was sold and how much money was taken in. I could read from that page if you want, Mr. Chairman. The sales were recorded into cash registers provided by Expo. There were four registers, one on the second floor restaurant, two in the retail boutique and one on the main floor kiosk. The rule was that only one employee was supposed to operate a cash register during a shift. At the end of any shift a cashier prepared a reconciliation. That is a record. This reconciliation ensured that recorded sales agreed to cash and credit card sales collected. I do admit that from time to time there were some shortages, Mr. Chairman. The cash, cash register tape and the completed reconciliation form were given to the finance officer. There was another procedure that was followed. The finance officer verified the reconciliation form and recounted the cash receipt. So, there were some controls over there. Obviously they did not please the Comptroller General all the time, but there was an attempt made to make sure that everything was accounted for. Maybe they did not do it perfectly but there was a system in place, Mr. Chairman. Thank you.

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**CHAIRMAN (Mr. Ningark):**

Thank you. In other words, daily shelf records were kept. Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Chairman. I was not going to make any comments pertaining to this issue, but since the Minister made defensive comments in regards to this, I agree to a certain extent with the comments he has made. Maybe those people we had over there tried their best to represent us. I am sure they did represent us over there. However, the bottom line is, Mr. Chairman, it cost us \$4.2 million. That is a lot of

money. We are supposed to be in a business where we are supposed to make money, or at least break even, but that was not the case. One cannot say that we have done a good job over there. If you look at the bottom line it is not very good for us. Whatever happened over there affects our overall fiscal framework for the government. The Minister has to realize that. Maybe if we did not get into this \$4.2 million deficit for this project, we would not be haggling over this payroll tax that we just completed one hour ago. That only raises \$1.6 million net every year. So, I cannot reason with the Minister when he says those people tried their best, they represented the territories very proudly and everything else, the bottom line is it cost us a lot and now we are paying for it. It is a lesson that we have learned. From our mistakes, hopefully any mega projects like this we have to consider all those types of deficiencies that the Comptroller General noted. We have to make sure that those types of controls are in place before we get into any type of project of this magnitude, or else we are going to lose money again. I just wanted to indicate that I am not too happy with what happened over there, but we cannot cry over spilled milk either. What is done is done, but this is a lesson we have to live with. Mahsi.

**CHAIRMAN (Mr. Ningark):**

Thank you. Are there any further general comments? Mrs. Marie-Jewell.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. I was not going to comment but I take exceptions to some of the remarks that were made. First of all, the comment which the Minister made that we did not let the people of the north down and we saved face, I do not agree. I believe that we did let the people of the north down. Because we took \$4.2 million that we could have saved for other programs, we could have increased the social assistance budget, but we denied the people of the north that. We went into a venture and we lost our shirt.

The problem I have with the whole issue is that we have an internal document, Expo system adequacy report summary, from the office of the Comptroller General dated March 26 and an evaluation of the financial operation of Expo '92 revolving fund. The office of the Comptroller General did an evaluation and they basically said that the examination indicates that there were significant system weaknesses. There were indications that management was not

receiving meaningful management information. Further through the report it tells you all of the weaknesses and the strengths. When you look at this particular report there is more weaknesses pointed out than there were strengths. There is no doubt that many things were wrong. It is true that even in the report it says that there were days when cash shortages approached 10,000 peseta, \$120 Canadian. The office of the Comptroller General is under the Minister of Finance, the Minister of Finance is the Minister of Economic Development and Tourism. Is he saying that the office of the Comptroller General did not do a thorough enough job of doing a proper review on the evaluation of the financial operation of Expo '92 revolving fund, or is he saying that the Comptroller General did too thorough of a job, and that the Comptroller General should not have detected these type of deficiencies. I have a problem with the same Minister, he has one department which says these were the wrong things done, under the Financial Assistance Act these were not adhered to. Then as the Minister of Economic Development and Tourism he has to say, the staff did not steal, the staff was doing an adequate job, we did not let the people of the north down, we saved face. It is all right if we lost \$4.2 million. That is why I take exception to some of the remarks made.

It states in the report, Mr. Chairman, that there is no inventory control system, that they had shortages, they had the duties which existed, they were inadequately segregated, they had weaknesses in every different area. They basically said that the system that was to be established must ensure that all public money is collected and accounted for, all public property is properly controlled, all disbursements are properly authorized. However, when you go through the total report, it says there was no inventory control systems in place, management reports were not prepared to assist in monitoring and controlling inventory. There was no perpetual inventory records nor was there a controllable asset system. There were many things wrong. The overall conclusion on the very last page, it says that we cannot determine whether or not all public monies were properly collected as there were no internal controls to ensure completeness of revenue. In our opinion, public property was not properly controlled because there was not an adequate inventory control system in place. All disbursements were not properly authorized. Therefore, it was there opinion that all parts of section 12(2)c of the Financial Administration Act were not complied with.

It is the Minister's own staff that looks after the financial part of this government's public purse who pointed out these deficiencies. How can the Minister come to us and the public, get as passionate as he did, and say that we did not let the people of the north down. I was not going to bring any of these points up because I felt that Expo '92 is lesson to be learned, we lost the money, the issue is dead. At the same time, I am sure this government learned a lesson. I do not appreciate when we want to discuss something and they get so defensive in respect to saying we did what we did, it is all right. What we were saying when we brought this document into committee of the whole is that it was not all right the way in which it was done.

I think this is where some Members had a problem with the Minister of Finance being Minister of Economic Development and Tourism. When you have a problem of saying lets go into venture, you are going be willing to take a risk as Minister of Economic Development and Tourism, we took the risk, he lost on the risk, but yet, at the same time, having to watch the money spent. Mr. Chairman, I wanted to make a few comments that the evaluation of the financial operations of Expo '92 revolving fund done by the office of the Comptroller General is very critical towards the Department of Finance. It would be interesting to note what the remarks of the Auditor General would be. I would suggest that the only way to deal with this, to conclude this report, is to request that the Standing

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Committee on Public Accounts refer it to the Auditor General's office.

It is unfortunate that we received this report so late. It was only tabled two days ago. It is unfortunate that we could not get the information earlier. I recognize that it was tabled two days ago and it was completed last Friday, a week ago. Mr. Chairman, I believe that by losing \$4.2 million we have to admit that we did let the people of the north down. We deprived them of many programs which we could have given them for that \$4.2 million. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JOHN POLLARD:**

Mr. Chairman, just a couple of points. I am going to read from page ten of 20, just to get this thing in

context. There were days when cash shortages or underage approached 10,000 peseta (\$120 Canadian). In the second line Aurorales incurred a net overage of 105,114 peseta (\$1,236.63 Canadian). When you read the one line that says there were shortages some days of \$120, overall, Mr. Chairman, there were overages of \$1,236.63. Mr. Chairman, I am not saying that the Comptroller General was lax in doing his job or that he was over zealous. Accountants, people in similar situations to the Comptroller General's office operate under the FAA, and I respect that. As Minister of Finance I must uphold the Financial Administration Act.

All of the people who worked over there were young people from the Northwest Territories. I did not want to see them being thought of as perhaps absconding, and the disappearance of inventory being blamed upon them. Because it was not their fault. We were, as I have said before, working with a system that was put in place by the Spanish authorities. It did not quite fit, obviously, the Financial Administration Act of the Northwest Territories and we could not derive enough from that system to meet all the requirements that are required when a government is spending money. Mr. Chairman, when I say we did not let the people of the Northwest Territories down, I wanted people to know that the Northwest Territories was well represented by the people that were there, they were held in high esteem and that I only received one complaint throughout all of the people who went through there. I received a whole lot of compliments from people who had gone through there and said that it was enlightening, it was pleasing and that they had a good time there. That was the way that I was suggesting that the exposition did not let the people of the Northwest Territories down. I was saying that it gave people a good view of the Northwest Territories and that they were satisfied with their visit to the pavilion and to the restaurant. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Qujannamiik. Are there any further general comments? Mr. Lewis.

**MR. LEWIS:**

Thank you, Mr. Chairman. We have seen the Minister, over the last hour or so, change from being the cool, calculated, calm, collected Minister of Finance. We all expect finance people to be like that. They are very much controlled people. When we get into the more warm blooded business of dealing with

economic development, especially when you are talking about development that takes place in exotic places such as Seville, then suddenly, another personality emerges, which I find very refreshing. I did not realize Mr. Pollard was capable of so much passion. I congratulate him for that. There is hope.

In making these comments, Mr. Chairman, I would like to commend the government, although it was much too late to have a proper debate and discussion on this, it is the kind of thing which can happen in our form of government. These are the kinds of things which governments do everything to hide. Whenever they do something wrong you find a thousand ways of hiding it. That is one of the weaknesses of provincial systems as they exist right now. Is that you do something wrong and then you hide it because you do not want your government to look bad, or your party to look bad and you never learn from your mistakes. They just keep on doing it because the public does not know half of the time with regard to the mess that is going on around them. I feel very good that this review was done in a very professional fashion and it showed us the problems that all armies have when they have to fight wars in distant places, when they are cut off from their headquarters and the supply lines, they are dealing in a foreign country with foreign languages. It is very difficult. Things such as a different financial system and trying to mix them, all those kinds of things we could have predicted. However, we did not do that. We went ahead because we are young, bold and enthusiastic and felt that we could conquer the world. We really did not do it.

I also agree with Mr. Pollard's comments about the young people. I know many of them who went there. I am sure that they represented the people of the Northwest Territories very well. After all, all we ran there was a restaurant and a gift place. We were not running a big pavilion. We had a small part to play. There were not too many things, in sense, that could go wrong because we were not mounting a big exposition of our own. We were performing two very straightforward functions. If you look at it dispassionately, it was not that complicated. Because of the conditions in which we had to operate in, we obviously found ourselves coming up short in the way that has been very dramatically given to us in these reports.

I think it probably will not serve much purpose in continuing with this discussion at any great length this evening. I feel good about having this kind of information in an open forum where we admit our

mistakes and also show some indication and willingness that we are going to learn from it. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Are there any general comments? Is the committee agreed that Tabled Document 133-12(3), is concluded, and Tabled Document 134-12(3), is concluded. Agreed?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

**CHAIRMAN (Mr. Ningark):**

Thank you. I would like to thank the Minister and his witness for appearing before the committee. What is the wish of the committee? Mr. Lewis.

**MR. LEWIS:**

Thank you, Mr. Chairman. We have another very important document, Mr. Chairman, it is Minister's Statement 88-12(3), Changes to Student Financial Assistance Program,

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which the Minister was kind enough to go back in the order paper so that we could have the benefit of the copy. I would like to deal with this.

**CHAIRMAN (Mr. Ningark):**

Thank you. Is the committee agreed that we deal with Minister's Statement 88-12(3), Changes to Student Financial Assistance Program. Agreed?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

Minister's Statement 88-12(3): Changes To Student Financial Assistance Program

**CHAIRMAN (Mr. Ningark):**

Thank you. Are there any general comments? Mr. Lewis.

General Comments

**MR. LEWIS:**

Thank you, Mr. Chairman. Very soon, within the next month and a half, there will be young people coming back from all over Canada, people who are going to school. Many of them will have heard about this document and will wonder what it all means. When I read through it I had some difficulty in understanding exactly what was hidden in the statement. Very often a statement will hide just as much as it reveals. In this instance, it seems to indicate that changes have to be made because there are so many more students now. There has been a 30 per cent increase over the past five years. This puts pressure on the amount of money which we have available in the program.

When I look through the document the only thing which I could see where there have been revisions on the revenue side of things or the cost side of things rather is with regard to the rate structure for allowances as they relate to aboriginal post-secondary students to make them in line with students in the rest of Canada. It seems to me then that all this document does is to say that we are going to spend more money. That we need more money in order to provide a level of service for people who are not getting the level of service which exists elsewhere. I want to know, where in this document do we find evidence of decreases so that you can get the money to provide for those people who are not getting the same level of service as aboriginal people are getting in the rest of Canada. There are cuts here somewhere, but I cannot find them. All I can find is an indication of a need to increase the level of financial assistance to students and no indication of a decrease. I would like to have some indication from the Minister, what decreases are in here because there is no specification of where they are.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. If I could have the indulgence of the committee to invite an additional witness, I have a general idea of all of the changes which are going to occur. To give you more specific details, I would ask if I could have the assistance of Mr. Pilon at the witness table. I could then begin with some of the more specific details. I can give you the changes which are occurring but specifically in

comparison to what is occurring, I would like to have Mr. Pilon appear.

**CHAIRMAN (Mr. Ningark):**

Is the committee agreed that the Minister can bring in a witness. Agreed?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

**CHAIRMAN (Mr. Ningark):**

Thank you. Sergeant-at-Arms, please escort the witness.

**CHAIRMAN (Mr. Pudluk):**

For the record, Mr. Minister, would you please introduce your witness. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. The assistant deputy minister, Education, Culture and Employment Programs, Mr. Conrad Pilon.

In terms of the question which was asked by Mr. Lewis, I will be very specific about some of the proposals and the changes which are, in fact, occurring. I do not want people to get the impression that this process just started when I became the Minister, Mr. Chairman. This issue of the student financial assistance budget reduction began as a result of the Strength at Two Levels report. In that particular report there was a suggestion that we review the student financial assistance program to identify administrative measures which could be implemented to improve efficiencies. As a result, on February 19, 1992 the document titled Reshaping Northern Government indicated that there were a number of ways in which program saving and reductions could be achieved by increased user pay through means testing, reduced benefits, or eligibility restrictions. They were specific changes which were recommended to the student financial assistance program. In June, 1992, the OPPLAN was presented which dealt with the department considering restructuring, that was one of the issues, of restructuring the manner in which we provided our supplementary grants benefits, similar to DIAND's program. Secondly, whether or not we would

continue the practice of providing travel assistance through warrants rather than cash advances.

Further, there was a suggestion at that particular time for the student financial assistance right to be amended to delete the book allowance for non-native students, who receive a basic grant for 1992-93. On August 27, 1992, the then Minister, Mr. Arvaluk, appeared in front of the Standing Committee on Finance. In his opening remarks the Minister proposed that student grants be changed to provide benefits similar to federal programs. He, in fact, suggested the other changes as well. The Minister also said that the proposed 1992-93 reductions, and this was last year, would be delayed for one year, and this is the upcoming year.

On September 22, the Minister also presented the reductions to the Legislative Assembly but it, in fact, indicated they would be delayed. As a result of that, I am the Minister who is now coming forward with those changes from those comments which were made.

Mr. Chairman, I want to say that as a result of some of the methods by which we are utilizing the travel warrants rather than cash advances were for Christmas and year end travel. It is our intention to save the government \$200,000. As a result of deleting the book allowance, we are considering saving

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another \$98,000. As a result of restructuring the supplementary grant program to match the allowances to match it with Indian Affairs and Northern Development, we anticipate saving this government some \$300,000. The result will be \$589,000 of savings if we proceed.

I would also like to indicate to the honourable Member that despite the fact that we are reducing the book allowances, we are prepared and have agreed that we will provide for a needs assessed loan for those students who are in need. We will provide the loan. In those cases where it is clear both for books and supplies that are required for post-secondary education.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Lewis.

**MR. LEWIS:**



Mr. Chairman, from what I hear the only real cut for non-aboriginal students relates to the book allowance. There is a provision for some kind of needs assessment if students cannot raise the money. Do you have any idea or plan as to how that needs assessment is going to work, on what basis will you decide that.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. RICHARD NERYSOO:**

I believe that the same process we use for Canada student loans, is the process we are going to be using for this needs assessment. There is no change in that particular process.

**CHAIRMAN (Mr. Pudluk):**

Are there any general comments? Mr. Dent.

**MR. DENT:**

Thank you, Mr. Chairman. Just so I can get a better understanding of what we are talking about, I was wondering if we could ask the Minister or perhaps Mr. Pilon to give us some examples. I can understand the revisions which are referred to on page two of the Minister's statement, where he says, "Revisions have also been made to the rate structure for student allowances." Could we get some concrete examples of what revisions were made.

**CHAIRMAN (Mr. Pudluk):**

Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you. I will ask Mr. Pilon to give you the more specific details in that area.

**CHAIRMAN (Mr. Pudluk):**

Mr. Pilon.

**MR. PILON:**

Thank you, Mr. Chairman. For some specific examples of case studies that were done, making the changes from what we currently offer through the GNWT program and offered through the INAC, appendix nine of the Strength at Two Levels report runs a number of scenarios on specific cases for students. I will give you an example of what some of

the changes would be. For instance, currently a student with two dependents receives from the Government of the Northwest Territories, \$915 per month. Under the DIAND rate the person would receive \$850 per month if the spouse was employed. If the spouse was unemployed they would receive \$1,045 per month. There is more breakdown in terms of other income which is added or calculated in the formula for DIAND that there is in our current structure. By using the DIAND structure

we are using something which is used nationally and applied fairly across Canada.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Thanks, Mr. Chairman. Both the Minister and Mr. Pilon have both mentioned the Strength at Two Levels report. I am wondering if these changes to government program or policy at any time were discussed by the strength at two levels working group. Has it even been referred to that group for discussion in terms of overall acceptance as a government policy?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you. I am not sure and I will ask the Premier to respond. All I know is that this particular matter was submitted to the Standing Committee on Finance approximately one year ago.

**CHAIRMAN (Mr. Pudluk):**

Madam Premier.

**HON. NELLIE COURNOYEA:**

Mr. Chairman, the Strength at Two Levels has never been received as a government document.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

I am aware that document has never been accepted as a government document, I do not think it has ever

been accepted by this Legislature as an official document. However, I do think there was an undertaking by the government when discussing, in particular when the topic came up, when discussing or looking at changes which were recommended by the Strength at Two Levels report or other significant changes to government that they would be referred to the strength at two levels working group which consists of Cabinet plus three ordinary Members. This seems like a fairly significant policy and I am somewhat surprised that it has not been discussed by that group.

I would also like to point out that while this was presented to the Standing Committee on Finance, of which I am a Member, it was considered in the light that it was not proposed to proceed with it at that time. The Standing Committee on Finance has never been made aware yet that the intention was to proceed with this program this year. The only time it was ever mentioned to the Standing Committee on Finance, it was said we are not going to do it this year. I guess, perhaps we were remiss in not picking up on the point of the committee that a year ago we heard that it was going to be delayed a year so we should have been watching for it this year, but it was not clearly pointed out to us that it was going to proceed this year. So, I am not sure that this policy has received the sort of scrutiny that it may otherwise have received.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. I cannot argue about the matter in which this particular issue was dealt with. All I can report to the honourable Members is that Mr. Schauerte, who is the Committee Clerk of the Standing Committee on Finance, provided me with the documentation and minutes of August 27, 1992, and it was indicated by the

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Minister at that time and also in the presentation by the Minister on September 22, 1992, that we would proceed with the changes in 1993-94. In the arguments that were raised in August, indicated to the standing committee that they would not proceed with the changes because at that particular juncture because they could not propose a change in the middle of a school calendar year because it would have negative effects on the students. They would

then allow us to prepare for the subsequent school year. That was the presentation which was made and I have copies of standing committee minutes. I was not clear myself and I needed to be certain of the comments which were made by the Minister at that time. I did not want to in any way to confuse or not proceed with a commitment to delay a decision at that time. The recommendation was that they would defer the item. It was based on the issues which were raised today by myself.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Dent.

**MR. DENT:**

Thank you, Mr. Chairman. I am quite aware of the process that happened at the Standing Committee on Finance. When we are presented with a budget the Minister says this amount is not going to be exactly the same because we are not going to do it this year, then that item stands out. However, it does not necessarily mean that we are going to be prepared at the Standing Committee on Finance to in the next budget which is presented to us, which is the one which this is finally going to take place in, is different. That is what I am saying, I do not know that this issue has received the sort of scrutiny that it might otherwise have done had it been brought to the attention of the committee that there was a significant change that was being reflected in the budget that was under consideration. I am somewhat concerned that on the last day of the session we get an announcement of this sort that reflects a change to a very important policy. I am not sure we have the time to deal with it. My comment for the Minister is I am going to be interested to hear from my constituents in the next while, their thoughts on this. While he may be hearing from me over the summer, if I hear a great deal from constituents then we may have some big problems in November.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.,

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. I am not opposed to hearing additional advice from honourable Members if there are any serious concerns which might be made with regard to the changes. If there are significant problems then I would be prepared to go back to Cabinet to address those concerns even before the

upcoming school year. I just want to indicate to the honourable Member, I did not in any way try to delay the issue. I was always under the impression that the Members were aware of this particular change. That may have been my misunderstanding, but I have gone back to as much of the documentation as possible and was under the view that it was at least received with very little in terms of opposition. That may have been a misunderstanding on my part. If there are any major problems, then I will deal with that in the context of advice from my colleagues in this area.

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, this announcement that the Minister has made, these changes to the student financial assistance, how is the department going to convey this to the public? Are you going to advertise it or how are you going to communicate this to the public?

Mr. Chairman, another concern I have is with regard to deadlines. I know we have approximately 1,200 students who are currently attending college or university, but surely there could be some flexibility within the program. Right now the way the Minister is proposing these changes is that he is going to impose strict deadlines on these students and I do not agree with the Minister in that respect. There should be more flexibility because that discourages students. What about students who miss the deadline who really want to go out? I never in my political career, Mr. Chairman, tried to deny someone from attaining higher education. However, with this being imposed, that sort of restricts them. There should be more flexibility in the system than what the Minister is proposing.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. I want to indicate to honourable Members, one of the problems, and I respect the remarks by the honourable Member, I think one of the causes where some of the problems we have with dropouts in students is this idea is rushing at the last minute to get to university. I think one of the problems is very little planning in terms of making sure you have your financial resources in

place, you have your housing organized, you have contacts through the department to a particular post-secondary institution, that kind of stuff as a result of past experience we can indicate to honourable Members that there are those kinds of problems that we have to try to deal with. There is nothing to suggest that in the changes that have been made that we will not deal with situations where people come and say we would like to go to university, we have an application, not only in but we have a location, we have ourselves organized. I think it is important to recognize that we have to set some deadlines and say we cannot have students rushing to institutions any longer. There has to be a bit more organization.

There is another aspect to this. When we know students are accepted at post-secondary institutions, as a government who is providing employment to students who are either in post-secondary institutions or going, then we make an effort to find employment for them so they can have the dollars. If they, in fact, submit an application at the last minute then we never get a chance to help them out and I think it is a bit unfair for them. All I am saying to you is that there are a number of ways we are trying to deal with this particular matter.

We are going to be sending out a newsletter to all students who are in post-secondary institutions and all students who are going to the high schools. We have info brochures which are going to the regional offices, we have newspaper ads and we are also going to be using CBC and TVNC to advertise these changes. It is not our intention to make it difficult, but to improve and, in fact, if anything I think we are going to be able to help the students much better if we know who is going to post-secondary institutions and what location they are at because our association can be helpful as well either at the

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University of Saskatchewan, University of Alberta or the University of Calgary.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. General comments. Mr. Antoine then Mr. Koe.

**MR. ANTOINE:**

Thank you, Mr. Chairman. Last year we never really dealt with this. I feel the same way as Mr. Dent does about this. This is going to change, quite drastically,

the funding which is going to students. Having been a student from 1985 to 1988 I know it is already fairly skimpy. In order to change it, it is going to get even worse for the students who are going to universities and post-secondary institutions. It says you are going to change the rate structure, and at the same time you will remain one of the most generous assistance programs in Canada after these changes are introduced. Could you explain that to me, Mr. Minister? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you. I will ask Mr. Pilon to answer that specifically.

**CHAIRMAN (Mr. Whitford):**

Mr. Pilon.

**MR. PILON:**

Thank you, Mr. Chairman. The supplementary grants which aboriginal students receive includes a number of support services. They include child care, return for airfare for students' dependents, special equipment and clothing allowance, tuition allowance, special accommodation allowance, special transportation allowance for emergency purposes, and also a maintenance allowance where the student's dependents maintain separate households.

The current structure would change that into one basic allowance. On top of that not only would the students be receiving a basic allowance, they would still be able to access an accommodation allowance. An accommodation of the basic DIAND rate, any accommodation allowance still keeps this program as the best support program for aboriginal people in Canada in terms of student financial support. If I just go through an example, if you had a case where an individual is a single parent going through a program outside of a place of residence, right today they would be receiving \$15,268 from the Government of the Northwest Territories. If they were an aboriginal student in western Canada funded through the provincial system they would be receiving \$10,500. If they were funded through our program as we currently redesign it, they would be funded at the level of \$16,471. So, there are some adjustments on the upward side for particularly students who have dependents.

**CHAIRMAN (Mr. Whitford):**

Mahsi, Mr. Pilon. Mr. Antoine.

**MR. ANTOINE:**

Thank you, Mr. Chairman. On an individual basis, is the rate going to be lower than the current level?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Antoine. Mr. Minister.

**HON. RICHARD NERYSOO:**

I will ask Mr. Pilon to respond.

**MR. PILON:**

In certain cases it would be equal to what they are receiving current, and in certain cases they would be receiving a little more than what they are currently receiving. Again, I can say, assuming a student is from the Northwest Territories and is an aboriginal person, what they would currently receive would be \$7,495. If they were under the INAC program they would be eligible for \$9,141.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Pilon. Mr. Koe.

**MR. KOE:**

I was going to talk about the rates, it would be nice to get that information. Publicity is the other area I am concerned about. Your document basically indicates the program is kicking in this year. It is nearly April 15, so we have approximately two months for students for the upcoming year to apply and this is going to require a massive publicity campaign to hit the high schools and our existing students.

The other area of concern and it is not mentioned in here is the area of post-secondary programs. Staff and employee training, how do they apply for training and what programs are in place? I know it was quite restricted last year, there were cutbacks made. It is more or the same level, or what is the case with employee training programs and post-secondary.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Chairman. On the matter of publicity, I agree with my honourable colleague. You have to also understand that I did not, in fact, intend to proceed with this, and probably could have proceeded much earlier but decided to delay this matter. I think it was important that Members had some advice which they could give to me. On the matter of publicity, we are going to utilize TVNC, we are going to use CBC radio, we are going to use newspaper advertisements. We are now concluding the information brochures of the high schools and for counsellors. We are concluding information brochures to all regional offices for advanced education. We have done a newsletter. Whatever the decision is here, I have a newsletter which I am ready to sign to send out to all of our students immediately after this session.

On the matter of the increase to staff training, the budget indicated that there was no changes in that particular area in terms of numbers.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Are there any general comments? Is this committee agreed that Minister's Statement 88-12(3), Changes to the Student Financial Assistance Program is concluded. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Pudluk):**

Thank you. I would like to thank the Minister and his witness. What is the wish of the committee? Member for Thebacha.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. Can we address Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality.

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**CHAIRMAN (Mr. Pudluk):**

Is this committee agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Tabled Document 2-12(3): The Justice House - Report Of The Special Advisor On Gender Equality

**CHAIRMAN (Mr. Pudluk):**

Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality. Member for Thebacha.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality was given to the Minister of Justice in May, 1992. It was tabled in this House November 17, 1992. We had some fairly lengthy discussions on this particular report in December when we met. At the time we had asked the Minister to bring back a status report on the 90 recommendations of this report of the special advisor. The question which Members have is, what is the status of the 90 recommendations which were developed in the report with regard to the Department of Justice addressing these particular recommendations. Can the Minister inform us of where this particular report is at in the system. Thank you.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Kakfwi.

**HON. STEPHEN KAKFWI:**

Mr. Chairman, the report has been given fairly wide distribution since it was received. Letters were sent out across the territories to people letting them know that the report is available. Quite a number of requests have come in from different individuals and organizations, as well as government bodies and academic institutions outside of the territories. That was one of the first things which we did.

With regard to the recommendations which are contained in the report, they have been broken down into a number of different groups. We have asked the department to draft an action plan, to put the recommendations in a certain order and put some priority on the implementation, and to try to work towards a timetable which could be presented. The action plan is still in draft form and has not gone to the Cabinet. It will hopefully be presented to Cabinet in the next month or so. I should point out that many of the recommendations within the report are not under the authority of the Department of Justice or under the

control of the department or even of the Government of the Northwest Territories. We have sent out a number of letters, one to Justice Canada, a number of the recommendations fall under their jurisdiction. There is about less than 12 recommendations which fall under Justice Canada. We have forwarded a letter to them asking them if they would go through the recommendations and give us some response and ideas, their views on those specific recommendations.

The RCMP have about seven recommendations going to them. By letter we have drawn their attention to them and asked them to respond in some capacity to us. The legal services board has about five recommendations which related to their work and jurisdiction. The law society of the Northwest Territories had about four or five recommendations. The judiciary, the justices of the peace, courts and territorial courts had a great number of recommendations which fall under them. Some of the recommendations are going to acted on in the short-term, there is a number of them that we think we can act on in the short-term. Members are aware, we have indicated a couple of pieces of draft legislation which are aimed at that. There are other recommendations which we have that will take us more time, more research and more consultation. Some of them relate to the Department of Social Services, others are with the Department of Education.

That is, generally, where we are at. I can be more specific with the exact recommendations, the numbered recommendations that go to each responsible body, if the Members wish. I do not know if the Members are satisfied with that. I have Mr. Geoff Bickert who would be able to join me as a witness if Members wish.

**CHAIRMAN (Mr. Pudluk):**

Member for Thebacha.

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. We do not want to go into the detail. It has been a long day and we just basically want to know where we are at with that report. The Minister did state that he is going to take it to Cabinet and an action plan is being developed. I would just like to ask the Minister, because there are so many recommendations, I cannot even remember how many I said, 77 or 90, and we know that over 25 per cent of them belong to other departments. Did

you give a time frame for them to see how long they would respond to those recommendations or ask them if they would respond with a time frame that would also be integrated into your action plan?

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. STEPHEN KAKFWI:**

Mr. Chairman, our time frame basically is by the fall session. I would hope to have done by then an analysis of all the recommendations which are contained in this report. Do whatever further legal research is required and produce for the Members a consultation document for the public as well. The different agencies and departments and bodies that are involved in this have been advised that we would like to have their response and thoughts on this as soon as possible. As the Members know, since the report came in, there has been quite a bit of work being done by officials within the government having to do with the fall session and this session. There has not been the kind of flat-out working time that is required by the different departments to work on this, but we are still targeting to come up with some sort of a response document by fall.

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Member for Thebacha.

General Comments

**MRS. MARIE-JEWELL:**

Thank you, Mr. Chairman. We are pleased to hear that there is going to be an analysis of all recommendations that many of the recommendations have been forwarded on to the appropriate departments or agencies which are responsible for it. I am sure Members will look forward to the summary of the analysis and the action plan that the Minister attends to address this report and many of the recommendations within the report. Those are the only general

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comments we have with respect to this report, unless other Members feel they want to make further comments.

**CHAIRMAN (Mr. Pudluk):**

Does this committee agree that Tabled Document 2-12(3) is concluded? Thank you. Now we will go on to Tabled Document 19-12(3), 1992 Master Plan for Corrections Service Division. Does this committee agree?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Tabled Document 19-12(3): 1992 Master Plan For Corrections Service Division

**CHAIRMAN (Mr. Pudluk):**

Mr. Koe.

**MR. KOE:**

Mahsi, Mr. Chairman. Mr. Chairman, the other day I had an opportunity to make a Member's statement and I referred to this document, and it is a report prepared by a Vancouver firm examining the existing system of corrections and justice in the north. It goes on to list a number of needs and recommendations. In the report there are 11 needs and 33 recommendations. I am just wondering what the department is doing in terms of this report? The report also goes on and lists details, existing and proposed facilities, and just doing a quick calculation, the recommended proposal which is what they call model B, from now until 2006 looks like about \$200 million worth of capital and about \$75 of O and M per year. So I am just curious in terms of the whole package, what is the status in terms of the Minister and his department and where does he intend to go in the recommendations in the recommended model that the Apra Group put in their report?

**CHAIRMAN (Mr. Pudluk):**

Mr. Minister.

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Chairman. The Master Development Plan that we are referring to here, deals largely with capital requirements. As the report suggests, the present system that we have is overloaded. We are over capacity and we have been for about five years now. The standard of the facilities that we have are largely considered substandard. In short, we need a substantial injection of capital just to bring our present facilities up to standard. A standard, at least, from the

eyes of the federal government under the different agreements that we have. They largely view the present facilities we have as not quite adequate. There is quite a negative view of the situation as we have it, in light of the exchange agreement that we have with them. The program area only, for instance, is considered to be under-funded and under-resourced. The staffing ratio we have with inmates is considered to be inadequate as well. When we look at the population growth and the crime rate that we have now, the capital requirements then jump even more. It is a double barrel shotgun that looks like it is going to go off any time. I think in many ways, this master plan comes along at a good time because all of us are uncertain, in all the areas of responsibility we have, we should take a comprehensive approach to it in terms of planning and developing strategic plans to make sure we have the proper resources and the type of facilities that will meet the increasing demand by communities to play a greater role in the justice system.

When you look at the political landscape that everyone in this Legislature has indicated, as well as the communities themselves, the present justice system and the present system of corrections we have is not the kind of system that our people require and want. So model B, in fact, seems to be the option that has been chosen by the sentiments that I have picked up from this Legislature, from our government and from the communities across the territories. With that comes, of course, the commitment we have to make that in order to move into option B we have to have a strategy on how we are going to accommodate the wish to move into a more community and regionally oriented type of approach to corrections. That means that we have to give some support to communities, some resources to develop some ideas and some suggestions on how they want to become a significant partner in the corrections field.

It is the kind of approach we have been advocating in the community transfer initiative. We cannot really give you the kind of definitive options that we might want. However, as far as facilities are concerned, for instance, what type of facilities are we envisaging to implement option B? We do not know that communities want to look at providing facilities, training and programs for young offenders, out on the land programs, small community-based facilities and regional facilities. Those are just starting to be articulated by a number of communities. We are trying to put together a strategic plan on how to

respond with the type of approach we want to take. We are developing a more comprehensive document. I do not know how long it will take to deal with all the recommendations. Some of the family law review recommendations we can act on quite quickly, we have started already, such as looking at a good information system, the type of training that might be required to implement some of the recommendations that are made. Some of the recommendations, I am advised, up to ten years to fully realize, so some of them we can do, some of them have to wait until we develop a more comprehensive approach to them.

**CHAIRMAN (Mr. Pudluk):**

Thank you. General comments. Mr. Koe.

**MR. KOE:**

Can we get a synopsis of where you are at with the whole package and some idea of where you are going with some of these recommendations? I do not think there are too many questions. I know what my position is and I stated that in this House, and in talking briefly with other Members they agree that a community-based correctional system is the way to go and is what people are looking at. There have been some community justice symposiums, so we have to take the recommendations and feedback from those forums and tie it in with this entire package. I guess, the sooner the better and we will have to start fitting it into an OPPLAN, once a strategy is proposed. If you can give us some detail, I would appreciate that.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. STEPHEN KAKFWI:**

Mr. Chairman, I know one of the recommendations was to move the corrections over to Justice and that is done, so we can be proud of at least one achievement. There is a recommendation, for instance, that we should look at trying to put together a plan for capital planning. In the Department of Justice we have recently hired a person

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to devote strictly to the capital planning work. We are working with the Department of Public Works to help with this strategic planning effort. We have done some training programs that have been suggested, others are under development. For instance, for

correctional officers and staff who work in young offenders' facilities we are looking at well-organized training manuals. We are looking at budget planning for the focus to go more from central oriented type of facilities to community planning. We are trying to do a budget analysis of our present budget to come up with some ideas and suggestions on how we could try to develop some flexibility to be able to respond to some of the suggestions on moving towards community and regional types of facilities.

There has been a recommendation that we should look at a new system for information management and keeping track of training. We are working on a new system to meet that recommendation. We hired a manager of information services within the department so we can work on finding solutions on information system problems that have plagued the corrections services division. It has never had an adequate information system. We have had a recommendation that there should be increased communication within the division with the department and specifically with the staff. So we have started meeting with wardens and managers of the different facilities. We have linked up almost all of the facilities with electronic mail and teleconference calls. These are considered taken for granted in some places, but we are just moving into it.

For the recommendations which call for increased accountability and some commitment to regionalizing service delivery, we have looked at ways of regionalizing service delivery within the context of the community transfer initiative. We have had quite a bit of discussion with a number of communities and regions about the Department of Justice, specifically, and what it is prepared to have discussions with specific communities on the area of responsibility that the department now has.

We have a recommendation that calls for increased number adult secure custody beds, repatriation of all federal inmates in the south who are from the Northwest Territories or northern citizens. We have commenced discussions with the agreement of the Solicitor General, we have had a series of meetings with his staff, all of which have been very good. There have been very good discussions, to date, about the exchange agreement and the suggestion that we make the argument that the federal government and ourselves have a great interest and an interest to be served by working out a solution to bring back, to the north, all federal inmates who are from the north and serving time in the south. As I said, presently we do not have adequate training



programs available for adults and perhaps young offenders. We have started working on this with communities. We have had discussions with a number of different agencies to try to get some general idea of what kind of programs which should be provided in these facilities. We are seeking input from different communities that we talk to. We have groups such as the Dene Cultural Institute, the Gwich'in Tribal Council, and a number of others who have expressed an interest. That is what we have done to date.

We have put on line, staff people who are hired to be community corrections specialists in most of the regions. We are reviewing the entire staffing. Those are some of the recommendations which we have done some work on. Thank you for listening.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Is this committee agreed that Tabled Document 19-12(3), 1992 Master Plan, is concluded. Member for Thebacha.

**MRS. MARIE-JEWELL:**

Mr. Chairman, we have not had enough time to thoroughly review this document and have a fairly good discussion on it. As I said this afternoon, our justice and corrections system are not working. There is no doubt that Members would agree with the model B concept of this report. I would like to ask the Minister if he can develop, somewhat from this report, an action plan as to what you plan to do and be able to report to us in November so that we can have a fairly thorough discussion with regard to your planning on this report. It is obvious that if we want to finish before midnight, that time does not allow us to have that discussion tonight. Usually in the evening, I am a really nice person, Steve, that is why I have been so attentive in listening to you.

---Applause

**CHAIRMAN (Mr. Pudluk):**

Thank you. Mr. Minister.

**HON. STEPHEN KAKFWI:**

I move we have all our sessions in the evenings.

---Laughter

Mr. Chairman, I am interested to do what the Member suggests. I believe the situation we have in

corrections is not one that anyone is comfortable with. There is a call by Members of this Legislature to come up with some comprehensive approach to corrections. There is a call by all of our communities to have a significant role and input into a larger plan which they will be part of. I am very interested and will work to provide to the Members by this fall, a document which will be very helpful and useful in guiding our discussions and our approach to addressing these issues. Thank you.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Member for Thebacha.

**MRS. MARIE-JEWELL:**

I would like to make one more quick comment, Mr. Chairman. I agree that we can have further discussion on this issue in the fall. Since the Legislative Assembly is planning to go look at the Navajo reserve, particularly their justice system and their correctional systems, perhaps I can suggest to the Minister, with the delegation of the Legislative Assembly and the women's groups, that he might want to consider bringing some people from his correctional centres so that they can look at the model based community justice system which they have on the Navajo reserve. It would be easier for us to be able to relate those to them when we get back in the fall to discuss this. Thank you.

**CHAIRMAN (Mr. Pudluk):**

Thank you. Is this committee agreed that Tabled Document 19-12(3), 1992 Master Plan for Corrections Service Division is concluded. Agreed?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

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**CHAIRMAN (Mr. Pudluk):** There is no more business. I will report progress.

---Applause

**MR. SPEAKER:**

Good evening. Item 19, report of the committee of the whole. Mr. Chairman.

ITEM 19: REPORT OF COMMITTEE OF THE WHOLE

**MR. PUDLUK:**

Mr. Speaker, your committee has been considering Committee Report 10-12(3); Committee Report 20-12(3); Bill 26, An Act to Amend the Income Tax Act, No. 2; Bill 27, Payroll Tax Act, 1993; Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality; Tabled Document 19-12(3), 1992 Master Plan for Corrections Service Division; Tabled Document 133-12(3); Tabled Document 134-12(3); and Minister's Statement 8-12(3), Changes to Student Financial Assistance Program, and would like to report progress with two motions being adopted; that Committee Report 10-12(3), Committee Report 20-12(3), Tabled Document 2-12(3), Tabled Document 19-12(3), Tabled Document 133-12(3), Tabled Document 134-12(3), and Minister's Statement 88-12(3) are concluded, and that Bill 26 and Bill 27 are ready for third reading, and Mr. Speaker, I move that the report of the committee of the whole be concurred with. Thank you.

---Applause

**MR. SPEAKER:**

Secunder to the motion, Mr. Koe. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Item 20, third reading of bills, Bill 25, Supplementary Appropriation Act, No. 1, 1993-94. Mr. Pollard.

ITEM 20: THIRD READING OF BILLS

Bill 25: Supplementary Appropriation Act, No. 1, 1993-94

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, I move seconded by the honourable Member for Nunakput that Bill 25, Supplementary Appropriation Act, No. 1,

1993-94 be read for the third time. Thank you, Mr. Speaker.

**MR. SPEAKER:**

The motion is in order, Mr. Pollard. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Bill 25, Supplementary Appropriation Act, No. 1, 1993-94 has had third reading. Item 20, third reading of bills. Mr. Pollard.

Bill 26: An Act To Amend The Income Tax Act, No. 2

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, I seek consent to deal with third reading of Bill 26, An Act to Amend the Income Tax Act, No. 2. Thank you, Mr. Speaker.

**MR. SPEAKER:**

The honourable Member is seeking consent. Are there any nays? There are no nays. Please proceed, Mr. Pollard.

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, I move seconded by the honourable Member for Baffin Central that Bill 26, An Act to Amend the Income Tax Act, No. 2 to read for the third time. Thank you, Mr. Speaker.

**MR. SPEAKER:**

The motion is in order, Mr. Pollard. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Bill 26, An Act to Amend the Income Tax Act, No. 2 has had third reading. Item 20, third reading of bills. Mr. Pollard.

Bill 27: Payroll Tax Act

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker. Mr. Speaker, I seek consent to deal with third reading of Bill 27, Payroll Tax Act, 1993. Thank you, Mr. Speaker.

**MR. SPEAKER:**

The honourable Member is seeking consent. Are there any nays. There are no nays. Please proceed, Mr. Pollard.

**HON. JOHN POLLARD:**

Thank you, Mr. Speaker, and Members of the House. Mr. Speaker, I move seconded by the honourable Member for Nunakput that Bill 27, Payroll Tax Act, 1993 be read for the third time.

**MR. SPEAKER:**

The motion is in order, Mr. Pollard. To the motion. Point of order, Mrs. Marie-Jewell.

Point Of Order

**MRS. MARIE-JEWELL:**

Mr. Speaker, I would like to ask for a recorded vote.

**MR. SPEAKER:**

Mr. Clerk, a recorded vote has been requested. To the motion.

**AN HON. MEMBER:**

Question.

**MR. SPEAKER:**

Question has been called. All those in favour?

Recorded Vote

**CLERK OF THE HOUSE (Mr. Hamilton):**

Mr. Pollard, Ms. Cournoyea, Mr. Kakfwi, Mr. Todd, Mr. Nerysoo, Mr. Patterson,

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Mr. Ningark, Mr. Pudlat, Mr. Dent, Mrs. Marie-Jewell, Mr. Lewis, Mr. Allooloo, Ms. Mike.

**MR. SPEAKER:**

All those opposed?

**CLERK OF THE HOUSE (Mr. Hamilton):**

Mr. Antoine, Mr. Whitford.

**MR. SPEAKER:**

All those abstaining?

**CLERK OF THE HOUSE (Mr. Hamilton):**

Mr. Pudluk, Mr. Zoe, Mr. Koe, Mr. Arngna'naaq.

**MR. SPEAKER:**

Thirteen have voted yes, two have voted no, four have abstained. Motion is carried.

---Carried

Bill 27, Payroll Tax Act, 1993 has had third reading. Before I ask the Commissioner to come in, I would like to take the opportunity to thank the staff of the Legislative Assembly, the Clerk, Mr. Hamilton, the staff of the Cabinet, the staff of all of the departments and agencies who have appeared in front of us, the interpreters, the pages. We have had two shifts of pages this evening, above and beyond the call of duty today, and the staff of Hansard. Because this is the last time we will be in these premises, I think we all owe a big thanks to the staff of the Yellowknife Inn and to Jack Walker for tremendous service over the past nine years, with a special thanks to Brian Schlosser, who has fed us now for many years.

---Applause

Mr. Nerysoo.

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. Not to prolong these proceedings too much longer, however, I would like to seek unanimous consent to return to tabling of documents.

**MR. SPEAKER:**

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mr. Nerysoo.

REVERT BACK TO ITEM 12: TABLING OF DOCUMENTS

**HON. RICHARD NERYSOO:**

Thank you, Mr. Speaker. Earlier during this session I made a commitment to table in this House Tabled Document 155-12(3) which outlines, in detail, the Northwest Territories training fund, which was announced by our Government Leader, \$6 million training fund to be used for employment and training in the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Item 12, tabling of documents. Until we meet again tomorrow evening in Fort Providence. I have been informed that his honour, the Commissioner of the Northwest Territories is prepared to assent to bills and prorogate this session. Mr. Clerk, would you ascertain if the Commissioner is prepared to enter the chamber and assent to bills.

ASSENT TO BILLS

**COMMISSIONER NORRIS:**

Please be seated, you have had a long day. I understand that this is a record sitting for one day, so, I was very careful to say sit down quickly.

---Laughter

Mr. Speaker, Madam Premier, Members of the Legislative Assembly, as we close the third session of the 12th Assembly we are witness to a historic passage. This is the last time a Legislative Assembly of the Northwest Territories is scheduled to hold a formal session in this facility.

When we gather to open the fourth session of the 12th Assembly on November 17, we will be celebrating the official opening of our new and permanent Legislative Assembly building.

---Applause

We should not view this as the end of an era and the beginning of the countdown to yet another. In truth, this is the continuation of a long, rich and colourful history.

---Applause

The Territorial Council, later to be renamed the Legislative Assembly, has conducted its business in

communities large and small. They met in Ottawa, Yellowknife, Inuvik, Iqaluit, Fort Smith, Rankin Inlet, Hay River, Chesterfield Inlet, Resolute Bay, Fort Simpson, Cape Dorset, Baker Lake, Aklavik and Norman Wells. To have met in so many communities is a magnificent feat in such a vast land.

---Applause

Members of this Legislative Assembly have worked out of community halls, school gymnasiums and hotel banquet rooms. We have packed, unpacked, moved furniture, files and staff for more than four decades since the first Territorial Council met in 1951.

The first Territorial Council consisted of appointed Members and the north's first elected representatives: Merv Hardie, James Brodie and Frank Carmichael. They conducted their meetings out of the Elks hall.

In the 1970s and early 1980s, the Legislative Assembly held its sessions in the Explorer Hotel. Our daily sittings were held in the Katimavik rooms, while all rooms on the second floor were commandeered for offices.

In November of 1984, the 10th Legislative Assembly held its third session -- the first to be held in this chamber. The facility was officially opened on February 6, 1985.

I too would like to extend our thanks to Jack Walker and the staff of the Yellowknife Inn for nearly a decade of outstanding service to the Legislative Assembly.

---Applause

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I would also like to thank all Members of the Legislative Assembly, past and present, who have served their constituents and served them well from this building. I look forward to seeing everyone at the official opening of the new Assembly building on Wednesday, November 17, 1993.

Mr. Speaker, Madam Premier and Members of the Legislative Assembly, as Commissioner of the Northwest Territories, I hereby assent to: Bill 5, An Act to Amend the Social Assistance Act; Bill 18, An Act to Amend the Public Printing Act; Bill 19, An Act to Amend the Student Financial Assistance Act; Bill 21, an Act to Amend the Reciprocal Enforcement of Judgments Act; Bill 22, An Act to Amend the Mining Safety Act; Bill 25, Supplementary Appropriation Act,

No. 1, 1993-94; Bill 26, An Act to Amend the Income Tax Act, No. 2; and Bill 27, Payroll Tax Act, 1993.

As Commissioner of the Northwest Territories, I prorogue this third session of the 12th Legislative Assembly of the Northwest Territories. Qujannamiik, merci, mahsi cho, thank you.

---Applause

---PROROGATION