



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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## **HANSARD**

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**Speaker: The Hon. Jeannie Marie-Jewell**

**MONDAY, NOVEMBER 7, 1994**

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**MEMBERS PRESENT**

Mr. Antoine, Hon. Silas Arngna'naaq, Mr. Arvaluk, Mr. Ballantyne, Mr. Dent, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Koe, Mr. Lewis, Hon. Jeannie Marie-Jewell, Hon. Don Morin, Hon. Richard Nerysoo, Mr. Ng, Hon. John Pollard, Mr. Pudluk, Hon. John Todd, Mr. Whitford, Mr. Zoe

**ITEM 1: PRAYER**

---Prayer

**MADAM SPEAKER (Hon. Jeannie Marie-Jewell):**

Good afternoon. Item 2, Ministers' statements. The honourable Member for Keewatin Central, Mr. Todd.

**ITEM 2: MINISTERS' STATEMENTS**

Minister's Statement 56-12(6): BHP - Dia Met Diamond Project

**HON. JOHN TODD:**

Thank you, Madam Speaker. Madam Speaker, I wish to provide this Assembly with an update on the status of the diamond exploration program being conducted by BHP and Dia Met Minerals, north of Lac de Gras.

BHP has indicated that underground bulk sampling of the Panda kimberlite pipe is proceeding at a good pace and that they expect to finish this phase of their exploration in early December. The company has applied to continue the exploration and evaluation of their property by an underground bulk sample program on the Misery kimberlite pipe.

The airstrip at BHP's Koala camp is being extended, and should be completed in early November. The longer airstrip will allow the company to use larger, more economical aircraft to transport equipment, supplies and employees.

It has been reported that BHP could make a production decision on their Lac de Gras diamond property by the end of 1994. This date was based upon the expected completion of a full engineering feasibility study. However, the feasibility report may not be finished until more bulk sampling results have been received later in 1995.

It is the understanding of this government that the federal Minister of Environment will soon name the panel which will evaluate the environmental impact of this project. We have participated in sessions to recommended terms of reference for the panel and have nominated individuals to be considered as potential panel members.

---Applause

**MADAM SPEAKER:**

Thank you. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Yellowknife Frame Lake, Mr. Dent.

**ITEM 3: MEMBERS' STATEMENTS**

Member's Statement On Fiscal Position Of WCB

**MR. DENT:**

Thank you, Madam Speaker. Madam Speaker, a few weeks ago, the Minister responsible for the Workers' Compensation Board released the board's 1993 annual report in great fanfare in this House. The headline in the press, and I quote "In the black, WCB up \$14 million."

---Applause

But, Madam Speaker, the headline went on to say the amazing financial recovery was questioned by labour and employers. The Minister did not explain that of the \$13.4 million turnaround between 1992 and 1993, about \$3.3 million came from increased assessments to employers and over \$10 million came from reduced claim payments to injured workers. In fact, the cost of administering the board increased slightly in 1993, even though the total number of claims decreased slightly.

Madam Speaker, there are a number of legitimate concerns to be addressed here, and the ordinary Members of this House will be addressing those concerns later today in question period.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Deh Cho, Mr. Gargan.

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## Member's Statement On Wasted Animal Carcasses

### **MR. GARGAN:**

Thank you, Madam Speaker. Madam Speaker, I rise today to speak about something that happens far too often in the north and must be condemned yet again. I am talking about the needless slaughter of wildlife which is sometimes left to spoil and rot. There is a common trend that runs through our many aboriginal cultures here in the north: our relationship with the land and all of its creatures. The land and the wildlife have sustained us for hundreds of years. Because of the respect that aboriginal cultures have with the wildlife, we look upon the animals as our brothers and sisters who have given their lives so that we may live. Out of respect, our people make the most possible use of the entire animal.

Members may have guessed that I am referring to the incident this past August where a scientist shot and killed a grizzly then left the carcass to rot. I won't go into the details of the incident, Madam Speaker, for they have been documented already. Whether or not everything was done that could have been done to get this bear to leave before having to shoot it is debatable, and I won't go into that. But I am sure that things were all considered in the courts. What upsets me and I'm sure most northern residents, is the apparent failure to address the seriousness of the issue. This person was charged with abandoning a dead animal and allowing the hide to spoil. He was convicted of that charge. What I find appalling, Madam Speaker, is that the penalty enforced by the court was a fine of \$115. Not only was no part of the animal able to be used, but the belly of the hide alone would have been far greater than \$115.

I have to ask where is the justice in this. Where is the deterrence factor to keep others from doing the same? I am not saying it is never necessary to kill an animal to protect yourself or your property, but to kill and throw away is not our way. And it's shameful the penalty being proposed should reflect this.

Madam Speaker, I seek unanimous consent to conclude by statement.

### **MADAM SPEAKER:**

Thank you. The honourable Member is seeking unanimous consent to continue. Are there any nays? There are no nays. Proceed, Mr. Gargan.

### **MR. GARGAN:**

Thank you, Madam Speaker. Madam Speaker, as I understand it, the law allows for a maximum fine of \$1,000 for this offence. The offender was advised by Renewable Resources what to do with the animal, but did not act on that advice. The judgment has been made in this case, Madam Speaker, and I won't debate it after the fact. I expect that the officers and the people of the Department of Renewable Resources who are responsible for the enforcement of the Wildlife Act are as upset about this as I am. I fear that this case has sent a message to others who may find themselves facing the same situation. That is, there is an easy way out and you don't need to go to the trouble of preserving the animal after it has been destroyed because it won't cost you anything.

Madam Speaker, our laws with respect to wildlife are not a matter of convenience. They are there for a reason and must be respected by everyone. I hope, by raising the issue here today, that our legal system will take these comments to heart and consider applying much stricter penalties allowed by the law in such cases, so that we may see fewer cases like this in the future. Mahsi cho.

---Applause

### **MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Inuvik, Mr. Koe.

## Member's Statement On Aboriginal Health And Traditional Healing

### **MR. KOE:**

Mahsi, Madam Speaker. I rise today to speak about aboriginal health and traditional healing. Last year when the Special Committee on Health and Social Services tabled a report, one of the recommendations we made was that traditional healing methods must be recognized and funded by government and incorporated in our system of health and social services.

Madam Speaker, last week there was a press release from the Government of Ontario. The Government of Ontario recognized that traditional forms of aboriginal medicine are legitimate and will be recognized in Ontario under a new health policy. The new policy endorses the use of traditional healers, medicine people, midwives and elders in the medical system where they will serve native people. In addition, the government has pledged that those practising

traditional native medicine will be recognized, respected and protected from government regulation.

The Ontario Minister of Health, Ruth Grier, also stated that, "For too long, we have not listened to the voices of the First Nations, nor have we honoured their medicine." She also goes on to say, "We support health care, designed, developed and delivered by aboriginal people, in keeping with their goals and our government's commitment to their right to self-determination."

Madam Speaker, this is good news for aboriginal people in the province of Ontario and, I hope, a model for other provinces and for this territory to consider. We should take the type of action being taken in Ontario to heart and also to practice that in the Northwest Territories. Mahsi cho.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Kitikmeot, Mr. Ng.

Member's Statement On Expansion Of Cambridge Bay Arena Complex

**MR. NG:**

Thank you, Madam Speaker. Madam Speaker, the Cambridge Bay arena complex was completed in 1986, with GNWT funding of approximately \$600,000 and a hamlet contribution of \$400,000. The project involved renovation to an existing steel-frame structure, which was started by a community initiative in the late 1970s, but never completed.

Unfortunately, the design of the existing structure did not allow for the construction of a full-sized ice surface. The municipal council, in 1985, of which I was a member, made the decision

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to accept the smaller ice surface and to contribute a sizeable financial investment in order to finish off the arena complex.

Madam Speaker, like most recreational facilities in the north, this arena complex has been extensively used since its establishment. The main activities are minor and senior hockey, public and figure skating, curling and private rentals. Unfortunately, over the years, the extensive use has deteriorated the building. A few

years ago, the council and MACA recognized the need to upgrade the arena complex and budgeted \$300,000 for the upgrade.

This past spring, hockey players and other facility users approached me requesting that the ice surface be expanded to a regular size. In conjunction with the hamlet council, we put forward a request to MACA on the need for a larger ice surface, recognizing the growing demands of the community. Madam Speaker, I'm happy to report that MACA has responded positively to this issue by reprofiling the project to include an ice surface expansion and by increasing the budgeted financial forecast to \$750,000 to carry out the work in 1996.

On behalf of my constituents, I wish to thank the former Minister, Mr. Arngna'naaq, the current Minister, Ms. Mike, and the departmental officials of MACA for their assistance in addressing this issue. Thank you.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Yellowknife South, Mr. Whitford.

Member's Statement On Clean-up Of Oil Spills In Soviet Union

**MR. WHITFORD:**

Thank you, Madam Speaker. Madam Speaker, last month I think it was, I made a statement about the oil spill in the Soviet Union. During the last week, we heard of yet another major oil spill in roughly the same area in the remote part of Russia, in the colder areas, much the same as our Canadian Arctic. Although it is not as large as the first one reported, it is, nonetheless, a very serious event.

On the weekend news reports, they were showing pictures of massive flares that were used for burning off the oil. Madam Speaker, this is a very primitive way of cleaning up oil spills on land. Other techniques are much more environmentally friendly than using flare burns. More alarming than all of this was the fact that the Russians declined to accept offers by Canadian and US governments to help in these clean-ups. We know that the Canadian and American oil and gas industries have the technical know how and equipment to deal with oil spills. It surprises me and a lot of people that the Russians

have not taken up the offer to clean up these major environmental disasters.

Why we must be concerned here, Madam Speaker, is that the area that these events have taken place lead, by water, to the Arctic Ocean. If something isn't done before spring, there is a good chance that the Arctic waters will suffer some environmental damage as a result of oil flowing into the water during spring break-up, eventually ending up in our Arctic Ocean.

With the detente that has taken place, and the way that northern Canadians have been helping Russians to build and do other things in the last little while, I am surprised they haven't taken up the offer. Thank you, Madam Speaker.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Antoine.

Member's Statement On Advancing Construction Schedule For Fort Liard Community Hall

**MR. ANTOINE:**

Thank you, Madam Speaker. I would like to speak today on the condition of the community hall in Fort Liard. Madam Speaker, the community hall was built in the mid 1970s, using money from the Canada works program. It was built by the band and the community of Fort Liard. The hall has served the community well over the past 20 years, but is no longer adequate to meet the needs of the community.

The public health inspector recently recommended that the building not be used any more, due to serious structural deficiencies. As we all know, Madam Speaker, buildings built during the late 1960s and the early 1970s are very expensive to retrofit to today's standards. In some cases, such as Fort Liard, it is cheaper to build an entirely new facility, rather than fix the old one.

The community gatherings and social events are very important to residents of small, close-knit communities, such as Fort Liard. The suggestion that residents of this community use the school gymnasium or the lobby of the arena for community gatherings is unacceptable. Madam Speaker, while the residents do appreciate the arena and the gymnasium, it must be realized that neither of these facilities lends themselves to community gatherings.

The acoustics in the gymnasium make holding meetings impossible and the arena is too small for a lot of community functions.

Madam Speaker, the community appreciates that in the 1998-99 construction year, a new facility will be built in Fort Liard. However, Madam Speaker, due to the present community hall being condemned, and the fact that the other facilities in the community do not lend themselves to community gatherings, I strongly urge this government to look at advancing the construction schedule for the community hall in Fort Liard. I will be following this up in question period when the Minister responsible is back in the House. Mahsi, Madam Speaker.

---Applause

**MADAM SPEAKER:**

Point of order, Mr. Gargan.

Point Of Order

**MR. GARGAN:**

Thank you, Madam Speaker. Madam Speaker, I rise today on a point of order. I have had the opportunity to review the unedited Hansard for Friday, November 4, 1994, with reference to comments made by the

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honourable Minister responsible for the Public Utilities Board on the Standing Committee on Legislation review of Bill 8, An Act to Amend the Public Utilities Act.

The Honourable John Todd stated in the House on November 4, 1994, and I quote from page 1856 of the unedited Hansard:

"Just for clarification, we did go before the Standing Committee on Legislation and it recommended, I thought, to support the bill based upon the two amendments they asked us to do. Now the Standing Committee on Legislation Members are naying the bill. I don't understand what is going on here. By resolution, they passed it, the last time I met with the standing committee."

Madam Speaker, this quote was repeated in a CBC news broadcast this morning at 7:30 am.

Additionally, the Minister stated in the House, and I quote from page 1856:

"Maybe someone could help me out in terms of procedure, being the layman that I am, why some aggressive Members of the House have decided to raise their voices louder than those who don't."

The honourable Minister appears to be suggesting that because the Standing Committee on Legislation considered this bill in committee, Members of the House should rubber-stamp the bill. Madam Speaker, regardless of what recommendations the standing committee makes with respect to any bill, Members of this House are, and should be, free to fully debate the bill on the floor of the House. This debate may be delivered aggressively if it is necessary to fulfil their obligations as Members of the Legislature.

For the record, Madam Speaker, I must note that the Standing Committee on Legislation's report, as contained on page 1853 of the unedited Hansard dated November 4, 1994, makes reference to problems that the public had with the bill. Additionally, the report refers to committee concerns with respect to the bill representing an additional tax on the consumers. During the public hearings on September 8, 1994, the public record clearly shows that there was no agreement between the Minister and the standing committee as to support of the bill.

Madam Speaker, the committee did not "approve" this bill. The committee did its job, heard submissions from the public, considered the bill and moved the bill into committee of the whole for consideration.

The point of order, Madam Speaker, is the Minister, by stating the committee had recommended support of Bill 8, has misled the House and the public. By his remarks, the Minister is leaving the public and this House with the perception that the Members of the Standing Committee on Legislation say one thing and do another.

I would appreciate, Madam Speaker, if you would consider this point of order on behalf of myself as well as Members of this House who believe that Members should feel free to fully debate all legislation in this House, aggressively if necessary.

Further, Madam Speaker, I would ask for an apology from the honourable Minister. Mahsi cho.

---Applause

**MADAM SPEAKER:**

Thank you. Just with respect to our rules on points of order, once a Member has stated their point of order,

the Speaker may allow debate before taking it under advisement. Since the Member for Deh Cho has asked for an apology, I just want to determine whether the Member for Keewatin Central will want to clarify his remarks or apologize. The honourable Member for Keewatin Centre.

**HON. JOHN TODD:**

Thank you, Madam Speaker. If I made remarks that were offensive to the Standing Committee on Legislation, I apologize.

---Applause

**MADAM SPEAKER:**

I will take your point of order under advisement and determine whether there is anything more to report to the House.

Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Inuvik, Mr. Koe.

ITEM 6: ORAL QUESTIONS

Question 350-12(6): Status Of WCB Legislation

**MR. KOE:**

Mahsi, Madam Speaker. In June 1992, the Standing Committee on Agencies, Boards and Commissions tabled their final report on the Workers' Compensation Board. Many of the recommendations in that report called for amendments to the Workers' Compensation Act and for a legislative action paper to bring forward proposed amendments. The legislative action paper was tabled in April 1993 and the Standing Committee on Legislation reported on the legislative action paper in November 1993.

Legislation passed in March 1994 covered some of the standing committee's recommendations relating to coverage for aboriginal harvesters. But the overwhelming majority of the legislative recommendations made by the standing committees have not yet been addressed by legislative proposals. My question is to the Minister responsible for the Workers' Compensation Board. Can the Minister tell the House when he expects legislation to be drafted to address the recommendations of the standing committees?

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 350-12(6): Status Of WCB Legislation

**HON. JOHN TODD:**

Thank you, Madam Speaker. We are currently working on the legislation that the honourable Member has brought to my attention. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Koe.

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Supplementary To Question 350-12(6): Status Of WCB Legislation

**MR. KOE:**

Mahsi. Can the Minister explain why he has not made the drafting and introduction of such legislation a priority for the Workers' Compensation Board and for this government?

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 350-12(6): Status Of WCB Legislation

**HON. JOHN TODD:**

Thank you, Madam Speaker. It is a priority. There is a full legislative plate before the House and we are moving as quickly and as expeditiously as possible to make the adjustments. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 350-12(6): Status Of WCB Legislation

**MR. KOE:**

There have been a lot of good announcements made by the Minister on the operations of the board, but the Minister knows very well that the Workers' Compensation Board has also received a lot of bad press over the last few years. Many workers don't

feel that the board is adequately addressing their needs. Can the Minister explain how he expects to correct this perception, if he is not prepared to move quickly to introduce legislation that will address the needs identified by the standing committees?

**MADAM SPEAKER:**

Minister responsible for WCB, Mr. Todd.

Further Return To Question 350-12(6): Status Of WCB Legislation

**HON. JOHN TODD:**

Madam Speaker, I would like to commend the chairman of the Standing Committee on Agencies, Boards and Commissions and their report that they provided some months ago. We are using that report as a blueprint for change and we are proceeding as quickly as we can with the legislative changes. I am optimistic that these changes, when they go through the Standing Committee on Legislation and public discussion, will be massaged by the different interest groups that are keenly interested in WCB. With respect to our public image, I think we are making significant progress in trying to improve the board's image between employers and, more importantly, between injured workers. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife Frame Lake, Mr. Dent.

Question 351-12(6): Workers' Advisor's Independence From Government

**MR. DENT:**

Thank you, Madam Speaker. Madam Speaker, my question is for the Minister responsible for the Workers' Compensation Board. Madam Speaker, both the standing committees on Legislation and on Agencies, Boards and Commissions made recommendations concerning the workers' advisor's position. These recommendations related to the independence of the workers' advisor and, in response, the then Minister responded in November of 1992 that a permanent workers' advisor position had been created, rather than the contractual arrangements that had been made previously. Can the Minister tell the House what measures have been taken since to guarantee the independence of the workers' advisor?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 351-12(6): Workers' Advisor's Independence From Government

**HON. JOHN TODD:**

We've enacted the recommendation of the Standing Committee on Legislation, that said it should be independent; we've put it into Safety and Public Services. I believe that's where it operates. And it operates as an independent arm of the WCB. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Dent.

Supplementary To Question 351-12(6): Workers' Advisor's Independence From Government

**MR. DENT:**

Thank you, Madam Speaker. I'm happy to hear it sounds like an important policy change has been made. Supplementary to the same Minister, this is an interesting situation because it may be the only case of a Minister answering his own oral question. When the current Minister was an ordinary Member in November of 1992, he asked whether policy changes had been made which would allow the workers' advisor to have better access to information. The following April, the now Minister responded saying there is no provision in the Workers' Compensation Act for a workers' advisor, and that an appropriate amendment to the Workers' Compensation Act would resolve this issue for all concerned. Has the Minister prepared such an amendment?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 351-12(6): Workers' Advisor's Independence From Government

**HON. JOHN TODD:**

We reached an agreement with the Department of Safety and Public Services that the workers' advisor is supervised by the director of policy, thus serving at an arm's-length relationship with the WCB. This was in

keeping with the recommendations that were provided by the ordinary Members on the other side of the House, through the Standing Committee on Legislation.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. Just before we go further on oral questions, may I remind the Members to try to keep their preambles, particularly on their supplementaries, short, and the replies from Ministers as brief as possible. Thank you. Item 6, oral questions. The honourable Member for North Slave, Mr. Zoe.

Question 352-12(6): Investment Portfolio Of The WCB

**MR. ZOE:**

Thank you, Madam Speaker. My question would also be to the same Minister, the Minister responsible for the Workers' Compensation Board. According to the Workers'

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Compensation Board 1993 annual report, the board has about \$140 million in investments, but only 3.8 per cent of those investments are in the Northwest Territories, either in government bonds or through investment in the Northwest Territories private corporations. My question to the Minister, can the Minister explain why such a small percentage of the board's investments are here in the Northwest Territories? Thank you.

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 352-12(6): Investment Portfolio Of The WCB

**HON. JOHN TODD:**

The WCB investment policy, from what I recollect because it is an independent group of people, is one of looking at bluechip investments. I suspect, although it's all I can say because I'm not involved directly, that the majority of their investments are in an area where they know they can predict the kind of return that they require to ensure that the pension fund is fully funded. Thank you, Madam Speaker.



**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Zoe.

Supplementary To Question 352-12(6): Investment Portfolio Of The WCB

**MR. ZOE:**

Supplementary, Madam Speaker. What efforts has the Minister made to encourage the board to find safer investments here in the Northwest Territories?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 352-12(6): Investment Portfolio Of The WCB

**HON. JOHN TODD:**

Absolutely not. No way would I infringe upon the fiscal investment policy of the Workers' Compensation Board at this time, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. Supplementary, Mr. Zoe.

Supplementary To Question 352-12(6): Investment Portfolio Of The WCB

**MR. ZOE:**

Supplementary, Madam Speaker. I agree that the board needs to safeguard its funds carefully and not gamble them on ventures that are too risky. But even an extra million or two invested in the northern economy would make a significant difference to economic development in the north. Can the Minister make a commitment to this House that he and the board will make more of an effort to find suitable investment opportunities for the board's funds in the Northwest Territories? Thank you.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 352-12(6): Investment Portfolio Of The WCB

**HON. JOHN TODD:**

Madam Speaker, the responsibility for investment lies solely with the Workers' Compensation Board. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Kitikmeot, Mr. Ng.

Question 353-12(6): Reason For WCB In-House Legal Division

**MR. NG:**

Thank you, Madam Speaker. My question is again to the Minister responsible for the Workers' Compensation Board. On October 17th, the News/North stated that the WCB added eight new staff in 1993, which included a full legal division. I would like to ask the Minister, Madam Speaker, if he can tell us why more legal staff were required. Thank you.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 353-12(6): Reason For WCB In-House Legal Division

**HON. JOHN TODD:**

Thank you, Madam Speaker. A financial assessment was made of the cost related to contracting out legal costs in the WCB. It was determined that it was more cost-effective to have in-house legal counsel. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Ng.

Supplementary To Question 353-12(6): Reason For WCB In-House Legal Division

**MR. NG:**

Thank you, Madam Speaker. I would like to ask the Minister, is it true then that there are eight new staff members and if all of them are lawyers? Thank you.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 353-12(6): Reason For WCB In-House Legal Division

**HON. JOHN TODD:**

Thank you, Madam Speaker. I think I'll just remain standing. No, I do not believe that they are all lawyers. Thank you.

**MADAM SPEAKER:**

No Member is allowed to stand while I am speaking in the House.

---Laughter

Supplementary, Mr. Ng.

Supplementary To Question 353-12(6): Reason For WCB In-House Legal Division

**MR. NG:**

Thank you, Madam Speaker. I would like to ask the Minister then, if all the eight positions aren't lawyers, does he know how many of those positions are? Thank you.

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**MADAM SPEAKER:**

Mr. Todd.

Further Return To Question 353-12(6): Reason For WCB In-House Legal Division

**HON. JOHN TODD:**

Madam Speaker, it could be one or two, but I will check into it and get back to the honourable Member. Thank you.

**MADAM SPEAKER:**

Item 6, oral questions. The honourable Member for Nahendeh, Mr. Antoine.

Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**MR. ANTOINE:**

Thank you, Madam Speaker. My question is for the Minister responsible for the Workers' Compensation Board, as well. I understand from the Workers' Compensation Board 1993 annual report, that a full-

time public affairs position was created in 1993. Can the Minister explain why this position was created?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**HON. JOHN TODD:**

One of the concerns consistently raised by the Standing Committee on Finance, I believe, by the former chairman at that time, there was concern about the lack of communications with the public outside of the conventional two interest groups, business and unionized workers. There was clearly a need to develop a community relations strategy, get out into the field and let people know in the smaller communities the role and responsibility of WCB. It was determined at that time that an appropriate communications strategy be put in place, and I believe this position is responsible for doing that, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**MR. ANTOINE:**

Thank you. Supplementary to the same Minister, Madam Speaker. My question is, does the creation of this position reflect the concern on the part of the board and/or the Minister regarding the public perception of the board? Thank you.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**HON. JOHN TODD:**

Well, the board is as equally concerned as I am about its image within the Northwest Territories. But, more importantly, an image is substance. And it's concern about its historical lack of ability to communicate

outside of the two lobbying groups, business and the unions, to ensure that we get out and let people know in the smaller communities to meet the new initiatives brought forward about the hunters' and trappers' compensation packages, and to work towards developing other packages or other compensation policies that are going to be more reflective of the smaller communities and the needs and desires of the people in those communities. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**MR. ANTOINE:**

Thank you, Madam Speaker. Would the Minister agree that previously addressing the issues raised by the protestors over the last few years would do more to enhance the board's image than a full-time public relations person and a quarterly newspaper? Thank you.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 354-12(6): Reason For Full-Time WCB Public Affairs Position

**HON. JOHN TODD:**

Madam Speaker, I believe we can do both. Thank you.

**MADAM SPEAKER:**

Item 6, oral questions. The honourable Member for Inuvik, Mr. Koe.

Question 355-12(6): Status Of WCB Appeals Tribunal

**MR. KOE:**

Mahsi, Madam Speaker. I have a question for the Minister responsible for the Workers' Compensation Board. I understand that the Workers' Compensation Board set up a task group to address the issue of appeals. I think there was an appeals tribunal set up.

Can the Minister tell us what the current status of that group is?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 355-12(6): Status Of WCB Appeals Tribunal

**HON. JOHN TODD:**

Thank you, Madam Speaker. I know this was an important issue in the last session. There was concern out there that perhaps the WCB was not moving in a timely manner to deal with appeals. The original appeal chairperson was Mr. Bourque who resigned, I believe, in February 1994. We have a new appeals chairman, Mr. McNenly, who is a Giant employee and former union employee.

The backlog of appeals at the time was somewhere in the region of 44 or maybe 60 cases. I don't have an up-to-date figure as of today, but it is my understanding that the majority of those cases have been dealt with and the appeals tribunal is moving forward in an orderly, and much more timely manner, to deal with this very important appeal process. Thank you.

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**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 355-12(6): Status Of WCB Appeals Tribunal

**MR. KOE:**

Madam Speaker, in the 1993 annual report, we read that there were 25 appeals outstanding at the end of 1992 and 32 more cases were appealed during 1993. Yet, only 13 appeals were resolved and one of those was a case withdrawn by the appellant. Can the Minister explain why only 12 appeals were heard in 1993?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 355-12(6): Status Of WCB Appeals Tribunal

**HON. JOHN TODD:**

I believe that with the appointment of Mr. Bourque as chairperson, it was realized at that time that the appeal process was taking an inordinate amount of time to deal with. That's all I can say. The process didn't allow for the timely decision-making of the appeals tribunal. Since that time, it is my understanding that a significant amount of progress has been made on the appeals.

I understand that to date, in 1994, 19 appeals have been filed and it is anticipated that the appeals tribunal will be able to hear four cases a month, which gives, hopefully, a completion date of January 31, 1995 to clean up the appeals that currently stand. There will be future appeals, but certainly it's an area that the Workers' Compensation Board and, particularly, the appeals committee, knew was under serious public scrutiny, and understandably so. They are making every effort to quickly, effectively and fairly deal with these important outstanding issues.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 355-12(6): Status Of WCB Appeals Tribunal

**MR. KOE:**

Thank you, Madam Speaker. Can the Minister advise us, then, what the Minister or what the board is going to do to make sure that appeals are dealt with efficiently and quickly in the future?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 355-12(6): Status Of WCB Appeals Tribunal

**HON. JOHN TODD:**

The current chairman of the appeals tribunal, Mr. McNenly, is going to follow the pattern established by the former chairman, Mr. Bourque, and that is to meet on a more regular basis to ensure these appeals are dealt with in a timely manner. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Nahendeh, Mr. Antoine.

Question 356-12(6): Efficiency Of WCB's Operations

**MR. ANTOINE:**

Thank you, Madam Speaker. My question is again to the Minister responsible for the Workers' Compensation Board. In his statement to the House on October 14th, the Minister responsible for the Workers' Compensation Board announced a dramatic turnaround in the WCB's finances, from a deficit of \$8 million to a surplus of over \$5 million.

In that statement, the Minister placed a great deal of emphasis on a more efficient, less costly and more accessible operation. But, the 1993 annual report says that administration and general expenses increased slightly between 1992 and 1993 from \$4.648 million to \$4.756 million, while the number of claims reported decreased from 3,638 to 3,531. Can the Minister explain how higher costs for fewer claims translate into a more efficient operation?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 356-12(6): Efficiency Of WCB's Operations

**HON. JOHN TODD:**

I'm so excited about answering the question. Madam Speaker, I perhaps was misinterpreted. What I meant by a more efficient board was with respect to policies and some of the major changes they made with respect to assessments, rehabilitation, supplementary pensions and the capitalization of the pension and accident fund. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Whitford.

Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**MR. WHITFORD:**

Thank you, Madam Speaker. I have a question I would like to direct to the Minister responsible for the Workers' Compensation Board. Madam Speaker, according to the Workers' Compensation Board 1993 annual report, the guidelines for evaluation of permanent impairment were changed on July 1, 1993. The American Medical Association guides were replaced with NWT impairment rating schedules. Can the Minister explain the rationale behind this change?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**HON. JOHN TODD:**

We felt, at the time, that we should have an impairment schedule that was more reflective of the Northwest Territories and the AMA guidelines were changed to NWT impairment assessments, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. Supplementary, Mr. Whitford.

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Supplementary To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**MR. WHITFORD:**

Thank you, Madam Speaker. I would like to ask the Minister whether or not it was the board's intent for this change to be neutral in its financial impact? For example, did the board intend for the change in the rating schedule to result in an increase, decrease or no change in the payment of claims for permanently injured workers?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**HON. JOHN TODD:**

The change from AMA guidelines to NWT guidelines was done primarily to ensure that compensation more clearly reflected the needs of northern workers.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Whitford.

Supplementary To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**MR. WHITFORD:**

Thank you, Madam Speaker. To the Minister responsible for the Workers' Compensation Board, labour groups in the north have accused the board of making its dramatic turnaround from a deficit to a surplus on the backs of injured workers. These statements appear to reflect a concern that the change in the rating schedules resulted in lower payments to workers. Can the Minister provide this House, at some time, with an analysis of how payments to workers have changed since the introduction of the new rating schedule?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**HON. JOHN TODD:**

I would be only too happy to, Madam Speaker.

**MADAM SPEAKER:**

Supplementary, Mr. Whitford.

Supplementary To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**MR. WHITFORD:**

Thank you, Madam Speaker. I would like to ask the Minister when.

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 357-12(6): Rationale For Change Of Impairment Rating Schedules

**HON. JOHN TODD:**

Soon.

--Laughter

**MADAM SPEAKER:**

Item 6, oral questions. The honourable

Member for Yellowknife Frame Lake, Mr. Dent.

Question 358-12(6): Definition Of "Prior Years' Claims"

**MR. DENT:**

Thank you, Madam Speaker. Madam Speaker, my question is for the Minister responsible for the Workers' Compensation Board. Madam Speaker, according to the WCB's 1993 annual report, prior years' claims were down from \$15.7 million in 1992 to \$7.2 million in 1993. This is a decrease of over 54 per cent. I would like to ask the Minister responsible for the Workers' Compensation Board whether it is correct to assume that prior years' claims means claims paid in 1993 to those who were injured before 1993?

**MADAM SPEAKER:**

Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 358-12(6): Definition Of "Prior Years' Claims"

**HON. JOHN TODD:**

I will check with the chairman on that, Madam Speaker, and report back to the honourable Member.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. Supplementary, Mr. Dent.

**MR. DENT:**

Thank you, Madam Speaker. Since the Minister didn't take that question as notice, I would like to follow up with some more information on that issue. Madam Speaker, I would imagine that most of those injured before 1993 -- still receiving claims payments in 1993 -- were probably those who were permanently injured. Therefore, I would like to ask the Minister whether this

decrease would be attributable to the change and rating schedules for permanent impairment.

**MADAM SPEAKER:**

Thank you. Mr. Dent, I was hesitant to pass on your first question to the Minister of WCB, mainly because questions posed by Members should be within the direct knowledge of the Minister, whether it is policy or responsibility. It appears that your supplementary question is of a technical nature. Could you rephrase your question? If not, I will consider ruling it out of order. The honourable Member for Yellowknife Frame Lake, Mr. Dent.

**MR. DENT:**

Thank you, Madam Speaker. Madam Speaker, I had thought that because this information was contained in the annual report of the WCB that it might be within the knowledge of the Minister. However, if there is a concern that it might not be, I would be happy to pose this question later under written questions.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Whitford.

Question 359-12(6): Impact Of WCB Rate Increases On Small Businesses

**MR. WHITFORD:**

Thank you, Madam Speaker. I have a question I would like to direct to the Minister responsible for the Workers' Compensation Board. In the changes that have taken place, the rate schedule that is charged to the employer for the number of employees they have has gone up dramatically; in some cases, many times the previous rates. This has caused

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hardships on some small businesses. Madam Speaker, some of the small business people have spoken to me about this and they expressed their concern over this dramatic rate increase. They also expressed concern that because the amounts were, in some cases, increased many times over, they have feared for their business.

They have suggested to the WCB that it would be more appropriate if the rates were increased in steps. There has been no reaction to that. I just wondered if the Minister would consider the severe impact that the

rate increases will have on small businesses and take steps to correct that so it doesn't affect small businesses that dramatically.

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 359-12(6): Impact Of WCB Rate Increases On Small Businesses

**HON. JOHN TODD:**

I don't know where the honourable Member is getting his information from.

**AN HON. MEMBER:**

(Microphone turned off)

**HON. JOHN TODD:**

Can I answer the question, Madam Speaker? I don't know where the honourable Member is getting his information from because the average rate has, in fact, declined based upon the new assessments that were done. If the honourable Member would be specific about the class -- I believe the term was "significant rate increases" -- I would be only too happy to answer the question.

**MADAM SPEAKER:**

Thank you. May I remind honourable Ministers, when you reply to a question, to reply in such a way as to prevent any type of debate. Item 6, oral questions. The honourable Member for Nahendeh, Mr. Antoine.

Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**MR. ANTOINE:**

Thank you, Madam Speaker. My question is for the Minister of Finance. I understand that the Minister's officials have indicated to the Dene Nation that they will be sending an auditor to the Dene Nation office tomorrow to audit their payroll records, in light of the Dene Nation's refusal to pay the payroll tax, on promises that were made during Treaty 8 and 11 negotiations. Is the Minister aware of the actions of his officials? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Return To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Good afternoon. Madam Speaker, I am aware, yes. Thank you.

**MADAM SPEAKER:**

Supplementary, Mr. Antoine.

Supplementary To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**MR. ANTOINE:**

Thank you, Madam Speaker. My understanding of the premise that the Minister's department is using to force the Dene Nation to pay the payroll tax is that a letter was received from the Minister of Indian and Northern Affairs stating that Treaty 8 negotiations had not reached a point where exemptions could be applied. So, at some future date, the Dene Nation would likely be exempt if this is done through negotiations. Why is this happening?

**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Further Return To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Madam Speaker, it is happening because the payroll tax is tax that is based on legislation passed through this House and applied to people in the Northwest Territories. The Dene Nation are employers in the Northwest Territories and are, therefore, required to register and pay tax on employees' earnings, deduct them and pass them onto the Government of the Northwest Territories. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**MR. ANTOINE:**

Thank you, Madam Speaker. Was the Minister of Finance approached by the Premier, before she left

for China, about backing off on the payroll tax issue with the Dene Nation, so that further negotiations might take place? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Further Return To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**HON. JOHN POLLARD:**

Madam Speaker, the Premier discussed the issue with me and after I had explained to her the lengths that I had gone to with the Dene Nation, the federal government, the amount of meetings there had been, the exchange of letters, et cetera, and I told her that I did not have a way to back off, as Mr. Antoine says, there was no further discussion between the Premier and myself in that regard. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Final supplementary, Mr. Antoine.

Supplementary To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**MR. ANTOINE:**

It is unfortunate to come to this point, Madam Speaker. However, the Premier did speak with the Minister of Finance to try to slow this process down before it got to the point that it might be reaching now. Is the Minister willing to meet with Bill Erasmus, the chief of the Dene Nation, to discuss

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further with the Dene Nation or is the audit still on for tomorrow? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Further Return To Question 360-12(6): GNWT Audit Of Dene Nation Payroll

**HON. JOHN POLLARD:**

Madam Speaker, I will be meeting with Mr. Erasmus this afternoon, but I don't have any intention of stopping the auditors from going to the offices tomorrow. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife North, Mr. Ballantyne.

Question 361-12(6): Federal Payment Of Incremental Costs For Division

**MR. BALLANTYNE:**

Thank you, Madam Speaker. I have a question for the Minister of Finance. Madam Speaker, the Northwest Territories are, as most Canadians, are facing the possibility of large government cutbacks. I know the Finance Minister is dealing with this issue. On the other hand, we are moving ahead towards division and inevitably will be incurring incremental costs. What is the Finance Minister, and this government, doing to ensure that whatever incremental costs are incurred by this government, the federal government will live up to its obligation to pay them? Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Return To Question 361-12(6): Federal Payment Of Incremental Costs For Division

**HON. JOHN POLLARD:**

Madam Speaker, as we move towards division, Members of this House realize that decisions that are made now by this Legislative Assembly, may ultimately affect what ends up in a certain part of the Northwest Territories after division occurs. It was raised a few years ago, by Ms. Mike when she was on the other side, about the capital budget, et cetera. So right now we are dealing with issues on a fair and equitable basis. In the meantime, we are saying to the federal government that there will be incremental costs as division occurs and we want you to be aware of them. There will also be costs, if there are aboriginal and self-government negotiations going on that are concluded. There are many issues that, as a result of federal government actions, will result in the people of the Northwest Territories incurring more costs, particularly through division, as Mr. Ballantyne points out.

I have met with Mr. Irwin and pointed that out to him. I have met with our MPs and pointed it out to them. I discussed it at 1:00 this afternoon with the Honourable Ethel Blondin-Andrew. I have written to Mr. Martin and told him of my concerns about



incremental costs as division occurs. The last thing that we will be asking for is a process in the next negotiations for the next formula funding agreement. That will be the one that divides in 1999. We are saying there has to be a process set up so that over the next four years these kinds of issues can be

discussed and some decision arrived at. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Ballantyne.

Supplementary To Question 361-12(6): Federal Payment Of Incremental Costs For Division

**MR. BALLANTYNE:**

I thank the Finance Minister for that answer. My concern, and I'm sure the concern of the Finance Minister, is the commitments made in the last couple of years have to be implemented three or four years from now, in what could be a totally different fiscal climate. It causes me some concerns. Madam Speaker, the federal Nunavut legislation, as I understand it, allows the federal government to decide what areas actually would be covered for implementation cost and how much they will pay. So my question to the Minister is, is the Minister having any specific discussions with the federal government to start defining now the areas that will be considered implementation costs by the federal government? Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Further Return To Question 361-12(6): Federal Payment Of Incremental Costs For Division

**HON. JOHN POLLARD:**

Madam Speaker, as soon as this round of negotiations with the federal government on the existing formula financing agreement and the one that will be in place for the next four years are concluded, we will then move into that area of incremental funding with regard to division issues. I am saying to Mr. Martin, it has to be done sooner than later. It has to be started in year one of the new formula funding agreement for the very reasons that Mr. Ballantyne raises. So I'm hoping that it will start next year, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Ballantyne.

Supplementary To Question 361-12(6): Federal Payment Of Incremental Costs For Division

**MR. BALLANTYNE:**

Thank you. I agree, better sooner than later. My last question to the Finance Minister, I understand it will be a Treasury Board submission in 1995 which will deal with the area of implementation funding for the period 1995 to 1999. My question is, is the Minister intending to have discussions with the federal government to help define what will actually go in that particular submission? Thank you, Madam Speaker.

**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Further Return To Question 361-12(6): Federal Payment Of Incremental Costs For Division

**HON. JOHN POLLARD:**

Madam Speaker, I haven't been consulted in that regard. Although there will be a meeting soon of chairpersons of financial management boards or treasury boards, and Art Eggleton will be in the chair, that's

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one of the issues that we will be raising with him is warning him about submissions that may come across his desk with regard to the Northwest Territories and the changes that are taking place. So I would raise it in that particular forum, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife Centre, Mr. Lewis.

Question 362-12(6): Impact Of WCB Rate Increases On Taxi Drivers

**MR. LEWIS:**

Thanks, Madam Speaker. I've been asked by a constituent to raise this issue. I recognize that the WCB is an arm's-length agency, but I would like to ask the Minister since the bulk of the taxis in the Northwest Territories are situated right here in the

capital city and since they're very unhappy and they seem to have a tremendous impact on our political life in this city, I would like to ask the Minister whether he's aware that this group, in fact, has been severely affected by an increase in the cost of the WCB.

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Return To Question 362-12(6): Impact Of WCB Rate Increases On Taxi Drivers

**HON. JOHN TODD:**

Thank you, Madam Speaker. Yes, I'm aware that there has been a significant assessment being done on this particular category in the WCB.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 362-12(6): Impact Of WCB Rate Increases On Taxi Drivers

**MR. LEWIS:**

Since to most of us, Madam Speaker, taxi drivers drive in an area where they don't go over 30 clicks an hour in the city, and they sit down all day in their vehicles putting in long hours, I would like to ask the Minister what is the risk, then, that has resulted in this significant increase to the premiums?

**MADAM SPEAKER:**

Thank you. Minister responsible for the Workers' Compensation Board, Mr. Todd.

Further Return To Question 362-12(6): Impact Of WCB Rate Increases On Taxi Drivers

**HON. JOHN TODD:**

I don't have the specific details, Madam Speaker, but assessments, historically and currently, and reassessments are done based upon rate of accidents and the compensation that comes out of that particular category. I could provide the honourable Member, later on this week, with a more detailed briefing on this matter, but that's the normal process. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Inuvik, Mr. Koe.

Question 363-12(6): Incorporation Of Traditional Healing Methods In Health System

**MR. KOE:**

Mahsi, Madam Speaker. Madam Speaker, earlier today I made a statement about traditional healing methods and aboriginal medicine. As I mentioned, the Special Committee on Health and Social Services travelled the north. We heard from people on traditional methods, and a recommendation was made that traditional healing methods must be recognized and incorporated into our system of health and social services. So my question to the acting Minister for Health is, what is this government doing to act on this recommendation?

**MADAM SPEAKER:**

Acting Minister of Health and Social Services, Mr. Pollard.

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Madam Speaker, as the Member said in his statement, recognition across the country is being made of traditional aboriginal health care. There has been some work done by the department. When I was formerly the Minister of Health, I had discussions with physicians in this regard. I'm not sure what the status is at the present time, Madam Speaker, so I'll take the question as notice and get back to the House. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**MR. GARGAN:**

Thank you again, Madam Speaker. I would like to direct my question to the Minister of Finance regarding the payroll tax of Dene Nation. I guess my interest is with regard to what legal authority the government has to compel the Dene Nation to register.

**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Return To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**HON. JOHN POLLARD:**

Madam Speaker, I have the legal authority of this House and the piece of legislation that they passed, the Payroll Tax Act of the Northwest Territories. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Gargan.

**MR. GARGAN:**

Madam Speaker, with regard to reference to the constitutionality of the Payroll Tax as it relates to the Dene Nation, I would like to ask whether or not the Minister has sought legal opinion under the Legal Opinions Act, I think it's called.

**MADAM SPEAKER:**

Mr. Gargan, you're requesting to determine somewhat of a legal opinion. Can I ask you to rephrase your question? I know you're not attempting to ask for a legal opinion, but it's coming across as if you are. Mr. Gargan.

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Supplementary To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**MR. GARGAN:**

Thank you. Madam Speaker, under our existing legislation I think the government can ask for a legal opinion on the constitutionality of anything. In this case, I'm asking whether or not our payroll tax, as it relates to the Dene Nation, doesn't violate anything. I'm just asking the Minister whether or not, under our Legal Opinions Act, I think it's called, the government has sought anything under that act.

**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Further Return To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**HON. JOHN POLLARD:**

Madam Speaker, I've sought opinions from our tax people within the Department of Finance. I've had an opinion from Justice. I've sought advice from Mr. Irwin, the Minister of Indian and Northern Affairs. And that advice is telling me that I can proceed with the tax on the Dene Nation, there is no reason not to do so. Madam Speaker, I would respectfully suggest that if we proceed and Mr. Erasmus is not happy with our procedure -- and he knows, we've discussed it -- that he's able to take this matter to court, say they won't pay and seek a ruling from the court. Mr. Erasmus and myself have talked about that, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Gargan.

Supplementary To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**MR. GARGAN:**

So it is the opinion of the Minister of Finance, then, that it would be up to the Dene Nation to incur the bulk of the cost if they were to challenge this government. Has the government charged the Dene Nation with regard to their Payroll Tax Act?

**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Further Return To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**HON. JOHN POLLARD:**

No, there have been no charges laid, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Final supplementary, Mr. Gargan.

Supplementary To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**MR. GARGAN:**

Even though the Dene Nation has refused?

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Further Return To Question 364-12(6): Legal Authority To Enforce Payment Of Payroll Tax

**HON. JOHN POLLARD:**

That is correct. To date, there have no charges laid, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Yellowknife Frame Lake, Mr. Dent.

Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**MR. DENT:**

Thank you, Madam Speaker. Madam Speaker, my question is for the Minister responsible for Renewable Resources. Madam Speaker, I understand that Canada's Environment Ministers are meeting this week in Bathurst, New Brunswick to discuss a national strategy on reducing carbon pollution. I was wondering if the Minister could advise whether or not our government has taken a position on this issue.

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Return To Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. The Department of Renewable Resources, as far as the environment is concerned, has created some guidelines, but no enforceable regulations. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Dent.

Supplementary To Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**MR. DENT:**

Supplementary, Madam Speaker. Madam Speaker, I understand that one of the things that will be discussed at the meeting in Bathurst this week will be consideration of an energy tax to force people to cut fuel consumption. Given the impact this may have on

northern residents, has the Minister advised the Canadian government that this government would not be in support of such a measure?

**MADAM SPEAKER:**

Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. As of today, I have not.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Dent.

Supplementary To Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**MR. DENT:**

Supplementary, Madam Speaker. Madam Speaker, will the Minister commit to examine this issue and advise the Canadian government of our position on such a tax?

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

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Further Return To Question 365-12(6): GNWT Position On Reduction Of Carbon Emissions

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. I will investigate and find out as much information as I can about this. I believe the department probably does have some information, including those from lobby groups and from those who may be in favour of this type of fee. At this time, I don't have the information, but I will endeavour to find the information and pass it on to the Minister of the Environment. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. The honourable Member for Kitikmeot, Mr. Ng.

Question 366-12(6): Process For Electrical Permits

**MR. NG:**

Thank you, Madam Speaker. My question is for the Minister of Safety and Public Services and it has to do with the electrical permits that contractors have to get to have their meters hooked up by the Power Corporation, particularly in the Kitikmeot because we don't have an electrical inspector based there. I would like to ask the Minister what is the normal process and time frame for an individual who needs a meter hooked up. Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Safety and Public Services, Mr. Nerysoo.

Return To Question 366-12(6): Process For Electrical Permits

**HON. RICHARD NERYSOO:**

Thank you, Madam Speaker. I'm not certain we are the ones responsible for the meter hook-ups. I believe we are responsible for the safety component. It is the Power Corporation that is actually responsible for meter hook-ups.

**MADAM SPEAKER:**

Mr. Ng, supplementary.

Supplementary To Question 366-12(6): Process For Electrical Permits

**MR. NG:**

Thank you, Madam Speaker. I recognize that the Power Corporation does the hook ups, but in order for them to do that, they have to have an electrical permit from the electrical inspectors office, which is under his jurisdiction. It is that process that I'm referring to, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Safety and Public Services, Mr. Nerysoo.

Further Return To Question 366-12(6): Process For Electrical Permits

**HON. RICHARD NERYSOO:**

Thank you, Madam Speaker. I would have to get the specific information from the honourable Member to get an indication of how long it would normally take.

The time varies, there is no specific date. It is all a matter of the application and the determination of the requirements for electrical hook-up. It varies.

**MADAM SPEAKER:**

Supplementary, Mr. Ng.

Supplementary To Question 366-12(6): Process For Electrical Permits

**MR. NG:**

Thank you, Madam Speaker. The reason I brought this up, Madam Speaker, is because there are contractors raising concerns about the length of time they say it takes for their applications to be processed in Yellowknife. I would like to ask the Minister, is the Kitikmeot the only region that has their electrical permits processed through the Yellowknife office? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Safety and Public Services, Mr. Nerysoo.

Further Return To Question 366-12(6): Process For Electrical Permits

**HON. RICHARD NERYSOO:**

No, Madam Speaker, there are circumstances where other communities in other regions have their permits issued out of Yellowknife. The concern about electrical contractors has been raised in the House on a number of occasions.

**MADAM SPEAKER:**

Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Whitford.

Question 367-12(6): Marketing Of Exotic Animal Parts

**MR. WHITFORD:**

Thank you, Madam Speaker. I have a question I would like to direct to the Minister of Renewable Resources. Madam Speaker, the question is somewhat controversial, but I will ask it anyway. The Minister and I have spoken about this before and the Minister is aware that there is a market for exotic animal parts. The Minister is also aware that there have been quite a number of bears that have been

killed -- legally, that is -- in the Northwest Territories during the past year. I think there were 13 in the Fort Smith area and around Yellowknife. There have been quite a number of bears killed because they were in dangerous situations. They were killed by game wardens, all legally. And, hunters and trappers do go out and hunt and kill bears.

There is a market that exists for exotic animal parts, "exotic" meaning not an endangered species, but an exotic part of the animal, gallbladders and other special parts. I would like to ask the Minister whether or not his department has taken a look at this particular problem and has looked at the legal gathering of animal parts. Have they taken a look at this to see whether or not hunters and trappers can benefit from a renewable resource?

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Return To Question 367-12(6): Marketing Of Exotic Animal Parts

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. I believe the Department of Renewable Resources has looked at a number of ways which might be beneficial for hunters and trappers in the various communities in the Northwest Territories. But, Madam Speaker, I also believe departmental staff and officials are aware that bears, as an animal, may have some other significance to the aboriginal people in the

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Northwest Territories. The department has been very sensitive to that and any time bears are discussed, they have been sensitive to concerns that may be raised by aboriginal people.

Now, as far as the sale and demand by other countries for parts of animals, that is something the hunters and trappers should be able to decide. We do not, as a department or government, have legislation that would restrict them from doing so. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Supplementary, Mr. Whitford.

Supplementary To Question 367-12(6): Marketing Of Exotic Animal Parts

**MR. WHITFORD:**

Thank you. I would like to ask the Minister whether or not his department has looked at the non-aboriginal hunter. There are sports hunters who take bears legally, they have a permit to do so and they take polar bears, black bears and grizzly bears. There is also the desire to utilize fully an animal, and this has always been a traditional thing among the aboriginal people. Is that a factor in it as well, Madam Speaker, whether or not the department has looked at others than just the hunters and trappers; the sports hunters who take bears legally? Would the department look at that?

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 367-12(6): Marketing Of Exotic Animal Parts

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. I know that the department looks very often to the various hunters and trappers in the communities. I believe the department is a very community-oriented department, and any consideration that may be made for making use of animals for government or departmental purposes would require extensive consultation, I believe, with aboriginal people as well as with those people who are in the commercial industry. That shouldn't stop the department from looking at various ways in which we can benefit, but I believe that it would require extensive consultation, especially with aboriginal people who have some religious or significant relevance to the bear. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Whitford.

Supplementary To Question 367-12(6): Marketing Of Exotic Animal Parts

**MR. WHITFORD:**

Thank you, Madam Speaker. I would like to ask the Minister if he is aware, or does the Minister know or his department know what happens to those particular

parts of animals that we're discussing? For example the usuk of a walrus, what happens to these things as far as the aboriginal people are concerned?

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 367-12(6): Marketing Of Exotic Animal Parts

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. The only requirement of a hunter when they catch a polar bear is that they take the hide. That is the only area which the department ensures the hunter does. If the hunter is willing to make a profit on other parts of the animal, we do not, as a department, encourage that, nor as a government do we encourage that, but it is up to the hunter to be able to benefit from other parts of the animal. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Final supplementary, Mr. Whitford.

Supplementary To Question 367-12(6): Marketing Of Exotic Animal Parts

**MR. WHITFORD:**

Thank you, Madam Speaker. Madam Speaker, if a hunter goes out and kills a bear legally, has a licence to do it, is there a law that says he cannot sell the gallbladder?

**MADAM SPEAKER:**

Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 367-12(6): Marketing Of Exotic Animal Parts

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. No.

**MADAM SPEAKER:**

Item 6, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

Question 368-12(6): Companies Refusing To Pay Payroll Tax

**MR. GARGAN:**

Thank you. I'll direct my question to the Minister of Finance. I would like to ask the Minister of Finance if there are any other companies in the north that have refused to pay the payroll tax.

**MADAM SPEAKER:**

Thank you. Minister of Finance, Mr. Pollard.

Return To Question 368-12(6): Companies Refusing To Pay Payroll Tax

**HON. JOHN POLLARD:**

I'm not aware of any company or organization that hasn't filed under the payroll tax legislation, Madam Speaker. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Gargan.

Supplementary To Question 368-12(6): Companies Refusing To Pay Payroll Tax

**MR. GARGAN:**

Thank you, Madam Speaker. I would like to ask the Minister whether he has spoken with Mr. Jerry Paulette who is the principle spokesperson for the Northwest Territories Treaty 8, on taxes, concerning the possibility of Treaty 8 citizens acquiring a tax remission order from the federal government.

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**MADAM SPEAKER:**

Minister of Finance, Mr. Pollard.

Further Return To Question 368-12(6): Companies Refusing To Pay Payroll Tax

**HON. JOHN POLLARD:**

Madam Speaker, I did ask Mr. Irwin for a copy of the letter he sent to Chief Paulette in this regard, and Mr. Irwin did not feel that the Government of the Northwest Territories should be privy to that information. So, I have not discussed it with Chief Paulette. As the Minister of Indian Affairs tells me, that is a matter between, as he said in his letter, governments. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 6, oral questions. Item 7, written questions. The honourable Member for Yellowknife Frame Lake, Mr. Dent.

#### ITEM 7: WRITTEN QUESTIONS

Written Question 27-12(6): Prior Years' Claims

##### **MR. DENT:**

Thank you, Madam Speaker. I have three written questions to the Minister responsible for the Workers' Compensation Board.

1. According to the WCB 1993 annual report, "prior years' claims" are down from \$15.7 million in 1992 to \$47.2 million in 1993. Is it correct that "prior years' claims" means monies paid in 1993 to those injured before 1993?
2. What proportion of people receiving payments under "prior years' claims" are permanently disabled?
3. How does the Minister explain the decrease in the amount paid under "prior years' claims" from 1992 to 1993?

Thank you, Madam Speaker.

##### **MADAM SPEAKER:**

Thank you. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. The honourable Member for Yellowknife Centre, Mr. Lewis.

#### ITEM 9: REPLIES TO OPENING ADDRESS

Mr. Lewis's Reply

##### **MR. LEWIS:**

Thank you, Madam Speaker. I've scribbled a few notes because I'm aware that we're getting close to the end of this session, and people seem to always leave it to the last day before they say anything that they want to get off their chest. So I thought today I would make a brief reply to our Commissioner and his address.

I would like to thank, first of all, Mr. Norris for his service, Madam Speaker. He understood fully the new role that this position has emerged into, and I'm sure he was very proud to be our first aboriginal Commissioner and to become a very important part of

our history because this, in fact, was a break from the past, the kind of role that he had to play. And we all want to thank him, I'm sure, for the dedicated service he gave us.

---Applause

Madam Speaker, this current territorial government has been a long process of evolution towards fully representative and responsible government. That, in my opinion, was achieved when Mr. Norris became Commissioner and we no longer had an Executive Commissioner with Executive powers. In fact, the new Commissioner filled a purely ceremonial role, and he did that with some quiet dignity and that's something we had expected and we hope will continue.

It's unfortunate, Madam Speaker, that as we became more responsible over the past few years, times have become more difficult economically for all Canadians. But in recognition of the emerging nature of our jurisdiction over the last 20 to 30 years, the territories were, on the whole, fairly well treated by the federal government in terms of the allocation of resources. It's unfortunate that when we began to sit as equals with our provinces in so many meetings with the federal government, this has suddenly changed. It's no longer quite the same way that it was.

The provinces have become more aware of the favoured status that we had over the years, and we began to feel the pinch. A good case is the allocation of social housing. At one time, we received almost one-third of the total allocation of the houses under the social housing program. Now this has been dismantled and, of course, we are the first to suffer.

Madam Speaker, because of the large federal deficit, this freeze on federal support to the north, in my opinion, has only just begun. Both Nunavut and the demand for political restructure in the west has already been criticized in the national press. We have a very small population and the cost of government per capital is very high compared to the provinces, while over the last few years our provincial colleagues have become very well aware of how well we have done during the time that we were under the patronage of the federal government.

Madam Speaker, if we had to respond to the demands for self-government in east and west, we must seek devolution of the necessary powers and resources from the federal government. I raised this issue on several occasions in the past, and I can't



stress it enough today. We are reaching the period of time, in my opinion, where we will go beyond the time to really solve this problem. Many of us feel that when the time comes for us to divide and restructure, our budget will have shrunk so much that we just won't be able to deliver the goods to anybody and we will be against the wall for meeting those commitments we have made to the people we serve to devolve government where it belongs, in the hands of the people.

There is an understanding that the federal government has agreed to cover the extra costs associated with self-government in Nunavut and is prepared to negotiate with groups in the west. The powers to be divided, quite bluntly, are those held by this territorial government and those still remaining in federal hands that have still not been devolved. There is no agreement yet, Madam Speaker, on what extra costs the federal government will pay for division or for devolution from the territorial government. The fear is that the territorial government will be asked to pay for everything, leaving it a bankrupt, hollow shell that will inevitably collapse.

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I ran for political office, Madam Speaker, on a platform of one public government for all people and have done everything I can to support it and help it survive. I respect those who want change. I should point out, though, that the changes in the past 30 years have been absolutely incredible. In fact, all I've seen is change. The task ahead now, Madam Speaker, is the management of change so that we don't get short-changed. That is the problem in a nutshell.

It should be the priority of this government to do two things. I've already established these twice in the Assembly, and it bears repeating because we must continue to hammer away at these issues. The federal government must devolve to this government, as a first priority, the remaining powers that Ottawa exercises on our behalf. Unfortunately, the federal bureaucracy seems to roll along, without diminishing. In fact, it seems to get bigger and stronger. Second, the federal Minister must indicate continued federal support for one public government in the north until the creation of Nunavut, at which time, there would be two public governments in the Northwest Territories.

The constitutional steering committee, establishing a coordinated restructuring of government in the west,

has already agreed to the principle of one public government. But, in recent months however, Madam Speaker, the Inuvialuit, the Deh Cho and Treaty 8 people have pursued other possible, contradictory objectives. The Metis, a strong voice for constitutional reform, have recently, by resolution, supported the establishment of a territorial government for the Deh Cho, which contradicts the position they have taken with regard to the work on the constitutional committee.

I know that by making the points I am making, I can't avoid the criticism that my views are simply those of Yellowknife, Yellowknife's bureaucracy, Yellowknife business and so on. Madam Speaker, I know that that will be the view, that I'm expressing a very parochial, narrow point of view that won't be held up for close examination and come away unscathed.

I hope that Members will credit me with a wider vision than that. I personally believe that public government will survive. The issue for me is not the survival of public government, it is the fact that it will be a shell, with no real powers to do anything or accomplish anything that really matters. I would like to see government which is efficient, effective and affordable. In fact, the main theme in politics over the next decade, and I'm convinced of this, will be affordability. Everything has to stand that test, if it doesn't, it is not going to go anywhere.

Members will recall that I did not support the establishment of the Constitutional Development Steering Committee. This is not because I did not believe there was a need for change. I believed there were too many issues outstanding that needed to be clarified and sorted out before we got into the long, arduous process of constitutional development in the west. I didn't believe at that time that the time was right and I believe subsequent events have proven that to be a reasonable position for me to have taken.

Now, however, that the CDSC has been established, we should commit ourselves to keeping it going. Whatever the outcome of the conferences over the next year or two, we need a forum, outside of government, which is what this is, in order to continue talking to each other. We should commit ourselves, whatever happens over the next year or two, that what we have now we keep working with because we can't keep on chopping and changing and deciding this forum doesn't work or that one is a better one. We are not going to get anywhere unless we commit ourselves to a process and give it a chance, even if it takes longer than we want it to take.

Madam Speaker, a characteristic of this Assembly has been the domination of social issues on the public agenda. This contrasts with the previous Assembly which was dominated by concerns about environmental and, of course, economic issues. By contrast, the 11th Assembly was dominated by the political agenda of political development. My own view, Madam Speaker, is that many social problems will decline if people achieve a greater degree of economic self-sufficiency.

Government doesn't have to be the major role player, in my opinion, in economic development. It can help create the conditions for development and it can be supportive. The main responsibility, however, lies with the individual who can see economic opportunity and can use it. Government, in many cases, can help create those economic opportunities, but it boils down, in fact, to individuals and groups of individuals who have the will, the desire and the vision to take advantage of those opportunities and to run with them.

In the Northwest Territories we should recognize that oil, gas, mining and other major economic sectors will, in fact, not impact many of our small communities. They are highly significant in terms of any overall economic strategy of the various levels of government. These enterprises, however, are very large and they're subject to many fluctuations beyond the control of government. The cost of production and the price of the commodity drive the industry, and governments, I'm afraid, can't do very much about it.

To provide revenues for government, the primary industries such as mining, of course, will continue to be of paramount importance. In terms of economic development, however, small businesses are proving themselves over and over again as the main engines of economic growth. Just as an aside, Madam Speaker, I was listening to the radio about Bill Tait, who spent 10 years of his life to try to create an interest in Japan to get people to come and watch the aurora. A total of 10 years. That's the time that a little niche can be developed all over the territories in different areas in order to create industries.

So, although Yellowknife is a government town, it really also depends on those people who will dedicate themselves to a vision they will work at, even though they don't become very rich. They need to work at it over a period of time until they get some degree of success. There is no doubt in my mind, Madam Speaker, that the future development of the territories will depend heavily on the emergence of a private

sector based on small business. To fully empower a population of only 60,000 should not be a huge, difficult challenge, if a commitment is made to the appropriate economic strategy.

I have said that mining will continue to have a major impact in Yellowknife. I believe this to be the case, whether there are diamonds or not. I think mining is going to be here for a long

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time to come. Yellowknife sits on one of the major gold caps in the world and the area will continue to produce gold and serve as a centre of the industry. Yellowknife gold mines have reported healthy earnings over the past five months, Madam Speaker, despite all the difficulties, and they are doing well.

Madam Speaker, I was an environmentalist when I was a very young man, long before the words environment and ecology were commonly used. Madam Speaker, I have found that my beliefs have not always served me well, politically. Industry automatically places all environmentalists among the lists of the enemy. For many environmental groups, no action by politicians to protect the environment ever goes anywhere near as far as it has to go. So, you end up being dammed by both sides, by the industry who figure that you should shut up and let the world proceed the way industry perceives it should, and you get dammed by the environmentalists who figure you are really being too wimpy and you should be much tougher on those engaged in industrial activity.

Madam Speaker, I am not a radical, since I really sincerely believe that Canadian technology can provide the key to sustainable development. I am committed to the idea of sustainable development and this government is committed to it. It is an official policy of this government, to support sustainable development. What I fear, Madam Speaker, is that northerners are not properly prepared for industrial development. If and when a decision is made to proceed with a major development, industry will be pushed, as it always is, into a defensive position. That is what happened with the Mackenzie Valley pipeline.

There is already evidence that the next major battle will be on the barrenlands in connection with the diamond mining industry. Any proposals for development will be presented as a major assault on the barrenland environment. Various groups, and it

has already happened, especially the World Wildlife Federation, will be able to raise large amounts of money if, for example, the Barrenland Grizzly is publicized as the next victim of mining. It is a beautiful image which can, in fact, be used to promote the environmental cause.

It is for this reason that I have suggested the Premier establish a round table on the economy and environment. We should be ready for development when it comes and not moved by knee-jerk reactions because we always end up looking bad and the mining industry, by its own admission, are terrible communicators. They are good at what they do, but they don't understand politics or media. They just like to do the things that they have the expertise in and they do it well.

My fears were prompted by a letter recently sent by the World Wildlife Federation to the federal Minister of Environment in July. It raises many concerns and I will deal with them briefly, Madam Speaker. It gives you a hint of the kind of thing I am talking about.

In the letter from the president of the World Wildlife Federation, Madam Speaker, to the Honourable Sheila Copps, Minister of Environment, Mr. Hummel points out that a road from Yellowknife to Coppermine would bisect the Northwest Territories. It would cut it in two. This is specious reasoning, Madam Speaker. A road does not mean that we have a Berlin wall, where you have to be a pole vaulter to jump over it. All it means is that you have a way, so that if you want to drive somewhere you have somewhere to go and you don't get stuck in the bush.

So the idea that this is suddenly going to destroy all the Northwest Territories because you are going to bisect it is a specious argument, but the kind of argument that has been used by Mr. Hammell to argue against any kind of development because it will bisect the territory. We know that to be nonsense because animals cross roads. I have seen dozens of animals and Mr. Gargan will attest that animals cross roads, all the time.

**SOME HON. MEMBERS:**

Hear, hear.

---Applause

**MR. LEWIS:**

And he is always very careful to avoid them.

Madam Speaker, the letter to Madam Copps also pointed out that there would be a lot of hydroelectric dams. Well, we already have such projects, Madam Speaker. In fact, the only dams that have been proposed are two small dams which are already in the process of being utilized and which are being supported by the Dogrib people. In fact, we have already found that on that same river system, we have had dams supporting sustainable development for 30 years with no arguments.

**SOME HON. MEMBERS:**

Hear, hear.

---Applause

**MR. LEWIS:**

Yet, we have someone saying that these dams are going to do incredible damage to people. I find this a specious argument and hardly worth considering seriously. But it gives you the flavour of the concerns being raised, Madam Speaker.

The other concern is the flattening of wildlife sensitive eskers for airstrips. Madam Speaker, eskers, as we all know, are beds of gravel and we use them already. The argument that these are huge wildlife habitats that must be protected again is specious nonsense. There are no plans to use big eskers to develop long airstrips. It is a part of the environment and we have always used them as a source of gravel and will continue to with no damage to wildlife because it has already been going on for the last 50 years.

Madam Speaker, the other big argument is that there is going to be a huge port on the Arctic coast. Madam Speaker, we already have similar kind of developments at Nanisivik. We have it at Polaris. They are developed when you need a place for a boat to get into and to dock. We are not talking about Rotterdam, New York or Vancouver. We are talking about a place when a boat can tie up and we have already been doing it for the last 15 years. This proposal is no different from what we have already done in order to get access to those deposits in the two locations that I have just referred to.

Madam Speaker, my colleague Mr. Whitford has already talked about grizzly bears and I respect this and, in fact, I have some knowledge about this. It is an issue for people. People have respect for bears. There is a certain kind of mysticism. These

are very important to people and we respect that. But, Madam Speaker, there is no evidence that the mining industry has been devastating the bear population. By the admission of the Department of Renewable Resources, of the 21 bears killed in that area last year there was one defence-killed bear by someone connected with the mining industry. They don't have a whole bunch of people going out with guns as entertainment every weekend shooting bears. It isn't allowed.

In fact, some people went to visit Lupin Mine not long ago and there were Members of the Standing Committee on Legislation on that trip. They were able to observe with their own eyes. When we landed at Lupin Mine, there were caribou grazing quietly along the airstrip. They didn't even look up, they just kept on grazing. There were even little white rabbits hopping all over the place. They have learned over a period of time that when those planes land, they don't knock the heads off the rabbits or the caribou. In fact, they stay away from them because they want to land on that airstrip and they don't want to land in the rocky area along the airstrip where those animals are grazing. Also, the people who go to those camps are not allowed to hunt those animals. They come right up to the kitchen and they are fed. They seem to live a very comfortable and contented life.

So, Madam Speaker, I am concerned that the exaggeration that is being placed by the World Wildlife Federation into the hands of the public on this issue is very weak reasoning and we should have some sense that we have to be able to sort out the things that are reasonable and the things that are ridiculous. The contents of this letter are ridiculous and on that note, Madam Speaker, I would like to sit down because I don't like to bore my colleagues. Thank you.

---Applause

**SOME HON. MEMBERS:**

Bravo.

**MADAM SPEAKER:**

Thank you. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. The honourable Member for North Slave, Mr. Zoe.

**ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES**

**Committee Report 16-12(6): Toward An Economic Development Strategy**

**MR. ZOE:**

Thank you, Madam Speaker. Members of the Standing Committee on Public Accounts are pleased to present the report, Toward an Economic Development Strategy. Your committee has reviewed Tabled Document 52-12(4), 1993 Audit of the Department of Economic Development and Tourism; the NWT Development Corporation and the NWT Business Credit Corporation. Our report presents the results of our review.

**Acknowledgements**

Members of the Standing Committee on Public Accounts appreciate the cooperation of the Minister responsible for the department and corporations under review. Thanks are also due to officials from the Financial Management Board Secretariat, the office of the Comptroller General, the Department of Economic Development and Tourism and the two corporations that participated in the review by appearing before the committee and answering questions.

The Standing Committee on Public Accounts also acknowledges the organizations and individuals who provided information to the public review. Committee Members appreciate the thoughtful comments and documentation provided by witnesses and by those who prepared written submissions. Members of the standing committee considered all information contributed.

Some of the department's economic development officers also participated in the review process by responding to the committee's request for information. The committee would like to thank them for providing their perspective on the issues being considered. As well, committee Members would like to acknowledge the participation of the assistant auditor of Canada and his officials from the Edmonton regional office in the review. The assistant and his staff provided advice and assistance during preview briefings and in camera meetings of the committee. They also served as witnesses during the public hearing.

**Executive Summary**

The Assembly's Finance committee recently recommended that the Government of the Northwest Territories focus on social issues. The government

was asked to assess its priorities and refocus its efforts on social issues. This does not mean that the government should abandon economic development. What it does mean is that we need to build a strong foundation of healthy, well-educated people.

We must invest in our future by investing in our people. These are long-term investments and the expected returns are also long term. Benefits should be forthcoming well into the future. The government should continue with economic development initiatives while, at the same time, ensuring that our people are able to respond to the opportunities created.

The pace of change in the north has been phenomenal. It has not been that long since most residents lived traditional lifestyles. With these dramatic changes have come enhanced expectations, many that result in a demand for public funding. Governments face many challenges in meeting the needs of their citizens. More than ever, governments have to channel limited resources into areas of greatest payback. This requires designing programs that cater to the needs of the community and provide the most useful benefits while, at the same time, preserving the overall interests of the taxpayers.

Madam Speaker, many people agree that government support of one kind or another is needed to stimulate and sustain

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economic development in the north. With limited resources, the government must focus and coordinate its economic development efforts. This requires a clear, central strategy and all participants must understand their role in achieving the best results. More detailed planning is required for the Department of Economic Development and Tourism. There is a real need for a broad, long-term economic development plan that clearly articulates potential opportunities; strategies for developing opportunities; and the costs and benefits associated with major public and private investments in different sectors.

Committee Members recommend three strategic directions for developing the economy of the Northwest Territories. First, the Government of the Northwest Territories should study the costs and benefits of focusing on small scale investments. The idea is to invest smaller amounts of money in a larger number of communities. Second, committee Members recommend that the Department of

Economic Development and Tourism develop a comprehensive marketing strategy. Marketing information should be collected and distributed to people in the communities. People in the communities need to be aware of the outside market. They need to know whether there will be buyers for the products that the community produces.

Third, committee Members recommend that Economic Development and Tourism develop a comprehensive strategy to guide the development of parks and the tourist industry in the Northwest Territories. Worldwide competition for tourist dollars is fierce. With shrinking resources, governments have to assess where they are to invest their money and human resources to obtain the best results. The central issue is the appropriate role of tourism in an evolving economy. There has been a great deal of discussion about whether, in times of fiscal restraint, we should be spending money in the area of tourism and parks.

Committee Members discovered overlapping jurisdictions and inconsistent policies and guidelines governing the granting of financial assistance, across programs, in the department and the corporations. The government should develop a rational plan for the delivery of economic development financial assistance programs across the Northwest Territories. Committee Members noted a number of situations where clients who are potentially able to repay money granted are receiving assistance in the form of non-repayable grants and contributions.

The Government of the Northwest Territories could benefit from exploring the idea of repayable contributions. Repayment could be required in all cases where it is determined to be possible. The funding could then be "recycled," used to help others who require funding assistance. Cases where some businesses received financial assistance from several different programs were identified. Committee Members do not view this practice of "multi-dipping" to be a problem by itself. But they feel that information about the total amount of support provided to individuals and companies should be available to decision-makers.

The Department of Economic Development and Tourism commissioned an independent consulting firm to undertake an organizational review of the department. The consultants completed the review and submitted it to the department in the fall of 1993. In response, department managers made organizational changes. Some of these changes

were taking place while the committee was reviewing the 1993 audit. Therefore, committee Members plan to monitor these changes and assess the results.

The primary organizational issue with the NWT Development Corporation is its relationship to the Department of Economic Development and Tourism. The Development Corporation has operated autonomously from the Department of Economic Development and Tourism and the rest of government. While recognizing the need for the Development Corporation to function autonomously, committee Members noted opportunities to integrate Development Corporation's and ED&T's contribution to the overall economic strategy.

The Business Credit Corporation (BCC) was originally set up to be an arm's-length corporation. However, it is not operating that way. The corporation's general manager now reports to the deputy minister of the Department of Economic Development and Tourism. Further, fiscal restraint prohibits BCC from setting up its own regional and headquarters structures with sufficient staff to run its operations independently. Committee Members feel strongly that a decision needs to be made about the desirability and feasibility of having the BCC independent of government operations.

The government has created a number of programs that specifically address economic development. Many other programs have been initiated and are funded through the federal government. However, all the money comes from government sources and it makes sense to look at the total funding for economic development as if it were one pool of money and people. Improved efficiency is one way of ensuring that the government will get the best value for money in economic development. Thus, the government should examine whether there are better, more efficient ways of achieving its objectives.

Many of the people who provided information to the committee pointed out the need to create a cohesive approach to economic development programs, a need to create one-window shopping. The client should be able to go to one place to get all the information they need about acquiring funding assistance. Whether it comes from different pots of money or not should not affect the client.

Along with one-window shopping, committee Members and presenters identified the need to develop more aftercare or follow-up services. Once funding assistance has been granted, there seems to

be, in many cases, no follow-up service from the economic development officer, the department or the corporations. Aftercare service is required because many clients, although very proficient in their work -- for example, producing arts and crafts products -- are not experienced in the administration and management of the business. Often, there is no follow-up until the business is in trouble and, by then, it is too late to rectify the problem.

Committee Members believe that the government must develop a clear, government-wise economic development strategy. The Department of Economic Development and Tourism must then examine its mandate, policies, organization and programs and make adjustments to conform to the strategic direction established by the government. This assessment should

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include the Development Corporation and BCC. A key element of the economic development strategy is the development of accountability systems, systems that describe and monitor desired results. As well, there is a need to ensure that the information and expertise required to make effective decisions is available when and where it is required.

Members of the Standing Committee on Public Accounts made a number of recommendations to assist in creating an effective economic development strategy for the Government of the Northwest Territories. Madam Speaker, prior to proposing the motion for receiving the report of the Standing Committee on Public Accounts, my report is quite lengthy; therefore, I would seek unanimous consent to consider the report read as presented and printed in Hansard.

**MADAM SPEAKER:**

Thank you. The honourable Member is seeking unanimous consent to the report read in Hansard. Are there any nays? There are no nays. The honourable Member for North Slave, Mr. Zoe.

Recommendation 1

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories, under the direction of the Department of the Executive, develop and implement a comprehensive economic development strategy that encompasses all government departments and

agencies. The strategy should highlight major government initiatives such as income security reform and should cover the period 1995 until 1999.

#### Recommendation 2

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a territory-wide plan for long term economic development. Further, the committee recommends that the plan should address division of the territories in 1999.

#### Recommendation 3

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories conduct a cost-benefit analysis to compare the value for money achieved from small as opposed to large scale investments. Further, the committee recommends that the government review and adjust its policies for issuing grants, loans and contributions, as required, based on the results of the analysis.

#### Recommendation 4

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a comprehensive marketing strategy that focuses on the collection and distribution of reliable market information.

#### Recommendation 5

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a comprehensive strategy to guide the development of parks and the tourist industry in the Northwest Territories. The strategy should be based on clear goals and objectives and accompanied by cost-benefit analyses of various strategies considered.

#### Recommendation 6

The Standing Committee on Public Accounts recommends that the government develop a rational plan for the delivery of economic development financial assistance programs across the Northwest Territories.

#### Recommendation 7

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism and the NWT

Development Corporation examine ways to replace traditional non-repayable grants and contributions with repayable contributions.

#### Recommendation 8

The Standing Committee on Public Accounts recommends that the department conduct a comprehensive review of all conflict of interest guidelines currently in place and develop appropriate internal conflict of interest policies that are separate and distinct from those in place for all public servants.

#### Recommendation 9

The Standing Committee on Public Accounts recommends that Cabinet review its direction to transfer the parks program to the Department of Renewable Resources, and provide a report on this review and an implementation plan, if required, to the Legislative Assembly.

#### Recommendation 10

The Standing Committee on Public Accounts recommends that the government and the Department of Economic Development and Tourism assess the feasibility of maintaining the Business Credit Corporation as a separate corporate entity. The review should consider bringing the loan function of the Business Credit Corporation back into the department. The findings should be reported to the Legislative Assembly.

#### Recommendation 11

The Standing Committee on Public Accounts recommends that, in the interim, action be taken immediately to clarify the mandate and organization of the Business Credit Corporation and its relationship to the Department of Economic Development and Tourism.

#### Recommendation 12

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism identify client needs for follow-up services and develop a comprehensive aftercare program that meets these needs and protects the investment of government money.

#### Recommendation 13

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism, in

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consultation with the Department of Education, Culture and Employment, assess the AABED program to determine where it might be enhanced or improved.

The committee further recommends that based on this assessment, the departments enhance the existing program or develop a new program to provide training for affirmative action candidates in economic development. The new or enhanced program should include an "on the job training" component.

#### Recommendation 14

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism establish a plan that provides an effective cross-cultural orientation and training program for newly hired economic development officers.

The committee further recommends that individual training plans within the performance review and planning process require cross-cultural awareness training at least every fifth year.

Further, the committee recommends that senior managers within the Department of Education, Culture and Employment provide a model for the economic development officers by each participating in a program of cross-cultural awareness.

#### Recommendation 15

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism assess the effectiveness of visitors' centres, explore alternative uses and develop a strategy to guide future development and modification to existing facilities and programs. Further, the committee recommends that this strategy be implemented before any additional capital funding is requested for visitors' centres.

#### Introduction

The Legislative Assembly of the Northwest Territories asked the Auditor General of Canada to conduct a comprehensive audit of the Department of Economic Development and Tourism (ED&T). Auditors

examined the organization during the spring and summer of 1993. They provided the first draft of their report to the Department in August 1993. Senior managers responded to the auditors' recommendations the following month. The auditors' report entitled 1993 Audit - Department of Economic Development and Tourism, NWT Development Corporation, and NWT Business Credit Corporation includes the managers' responses.

Auditors examined department programs focusing on the business development fund; arts and crafts; tourism and parks; and the economic development agreement. Because of their importance to economic development in the NWT, auditors also examined the NWT Business Credit Corporation (BCC) and the NWT Development Corporation.

Auditors completed the final draft of their report in October. The Speaker tabled the 1993 Audit report -- Tabled Document 52-12(6) -- in the Legislative Assembly on December 7, 1993.

Members of the Legislative Assembly referred the report to the Standing Committee on Public Accounts for review.

When the auditors started their review, the government had just appointed a new deputy minister for the department, and the first full-time president of the Development Corporation. Concurrent with the audit, the new deputy initiated a review of the organization, and started to make changes based on that review. Development Corporation managers also responded to issues raised during the audit by developing new or improved policies.

Senior managers responded to a large number of the recommendations made both by the auditors and the consultant who reviewed the organization. In addition, the department recently completed a tourism marketing strategy. In response to policy and program initiatives occurring during and after the auditors' examination, committee Members noted and assessed changes and focused on finding solutions to remaining problems.

#### Economic Development In The NWT

##### The People And The Land

According to the NWT Bureau of Statistics, the NWT population is 62,900. The population is young and is growing rapidly. With a growing population, people will need jobs.



Modern communications, such as satellite TV, have helped to expose northerners to different lifestyles where consumer goods appear to be plentiful. This has influenced people's expectations.

The land mass of the NWT comprises one third of the area of Canada and is larger than many countries in the world. There are over 60 communities spread across this vast area. Many of these communities are remote, have very few inhabitants and no road access. Residents endure harsh climatic conditions. As a result of these and other factors, living costs are significantly higher in the NWT than in the provinces.

The NWT population is also surprisingly urbanized, especially in the western NWT where 68 per cent of the population live in the four largest communities. In the western NWT, almost half of the aboriginal population live in the four communities whose populations exceed 2,000 residents.

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## The Economy

As a result of its limited tax base, the Government of the Northwest Territories depends on the Government of Canada for about 80 per cent of its expenditure needs. Further, the active business community is small and entrepreneurial experience is limited.

The government sector in the Northwest Territories provides about 50 per cent of all jobs and government spending represents a major opportunity for local businesses. However, government funding, at all levels, is getting tighter and in recognition of tough economic times and federal funding cutbacks, the Government of the Northwest Territories has initiated fiscal restraint measures. Economic development initiatives must, therefore, line up with all other important government initiatives to access limited resources.

Many northern businesses could not survive without continued support from government, either as supplier or in some cases by ongoing direct subsidies. To many people, ongoing subsidies are not acceptable. Yet in some communities with fragile economies, some unsupported businesses may not succeed. The auditors offered the following illustration of this point.

"...the fishing industry in the NWT is able to harvest high quality products from both salt and fresh water. Yet to get the products to market, mainly in the south, at competitive prices sufficient to provide a

reasonable income to the harvesters and processors will continue to require extensive subsidies. In 1992-93 the government budgeted over \$800,000 for transportation subsidies to freshwater fishermen and other subsidies to saltwater fishermen."

The key to ensuring future fiscal stability for the NWT lies in the development of a stronger revenue base. The more revenue we as northerners can generate and control, the more we will be in control of our future.

With a developing economy, will come the need for trained workers. Therefore, another component of developing an effective strategy for economic development in the north will be to invest in training. The challenge lies in the present situation.

"The NWT Bureau of Statistics reports that 27 per cent of the population over age 15 have less than grade 9 education. High school graduation in the last few years has averaged about 200."

## The Role Of Government

The pace of change in the north has been phenomenal. It has not been that long since most residents lived traditional lifestyles. With these dramatic changes have come enhanced expectations, many of which result in a demand for public funding.

Governments face many challenges in meeting the needs of their citizens. More than ever the governments have to channel limited resources into areas of greatest payback. This requires designing programs that cater to the needs of the community and provide the most useful benefits while at the same time preserving the overall interests of the taxpayers.

## Strategic Focus

### Elements Of Strategy

Many people agree that government support of one kind or another is needed to stimulate and sustain economic development in the north. With limited resources, the government must focus and coordinate its economic development efforts. This requires a clear, central strategy. And all participants must understand their role in achieving the best results.

Although the department and corporations under review have primary responsibility for economic development, all government departments and agencies share this responsibility through initiatives

such as the business incentive policy. Specific individual departments must be actively involved because of the direct link between economic development and other government initiatives such as income security reform, the commercial fish marketing strategy, and the fur strategy.

The development of an effective economic development strategy includes measuring results. Initiatives in one area will have an impact on others. Governments must abandon their fragmented approach to providing government services. Individual departments can no longer afford to categorize and build fences around their particular areas of responsibility.

To be meaningful, the results of implementing new initiatives across government must be coordinated. For example, it is desirable that government investments or subsidies will create opportunities for people to reduce their dependence on social assistance. It is important to measure the reduction in social assistance payments when demonstrating the effectiveness of the investment or subsidy.

#### Observations - Organizational And Functional Review

The ED&T organizational and functional review contains a number of observations, based on interviews, about the strategy for economic development in the territories. These are presented below.

"Most clients interviewed indicated they were not clear on the department's strategies, goals and objectives, initiatives, means of implementation and accomplishments. Most staff members in both headquarters and the regions said they couldn't comment on whether the department's strategy was meeting client needs because it had not been evaluated since its introduction over three years ago.

...The strategy did not represent what people in the NWT would really want to do if they had control of department funds.

...Since no overall economic development plan weighing the costs and benefits of investing in one sector over another sector had ever been produced, no one knew what should be done -- including NWT residents and those critical of the Department's strategy.

...(Some interviewees) felt that sectoral strategies had to be revised, including those in tourism, arts and crafts, and

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renewable resources so that investments could be more targeted and focused on market opportunities.

Others said the strategy could be improved by involving other departments and agencies, such as Education and Arctic College, which could work jointly with the department to develop a business management program or aftercare program. They also felt Social Services should be involved as social assistance payments were often a disincentive to economic development.

Both clients and staff in the eastern Arctic said a new strategy is needed to reflect the growing reality of land claims and the establishment of Nunavut in the east. The new strategy should be flexible enough to dovetail with major political and government changes and also reflect the differences in opportunities and constraints to development between the western Arctic and Nunavut."

#### Goals And Objectives

Committee members were unable to determine the primary, overall goal of economic development in the Northwest Territories. There are two overall goals that, in practice, can be contradictory. One goal focuses on creating jobs. More citizens would be employed and feeling productive. Fewer people would be reliant on social assistance. Achieving this goal, however, usually requires continuous government funding.

A second goal directs the government to assist businesses to become viable and self-sufficient. Fewer businesses would rely on the government for survival. To achieve this goal, the government makes wise long-term investment decisions.

Both auditors and committee Members feel that the mandate for the department is based on some combination of both goals. We believe that it is not possible to develop coherent policies and programs with two different ideas of the organization's primary responsibility. In fact, this lack of clarity in the overall goal for developing the economy of the north underlies a number of the issues and problems identified by the audit and the committee review. These problems are illustrated below:

## Problems Resulting From Conflicting Goals And Objectives

-ED&T's business development fund (BDF) provides for repayable contributions. However, the auditors noted that none of the contribution agreements they reviewed for BDF required repayments. Furthermore, the department's administrative cost appeared high in relation to financial assistance payments. What is the rationale for high overhead costs to provide "free" capital?

-The NWT Development Corporation Act has four main objectives:

create jobs and incomes primarily in small communities; stimulate growth of businesses; promote economic diversification and stability; and, promote the economic objectives of the GNWT. These objectives may contain conflicting direction for the Development Corporation. For example, does the Development Corporation make investment decisions based on creating jobs or does it focus on economic stability? Is the Development Corporation an economic development agency or is it a social agency? To determine whether the corporation is successfully living up to its mandate, these questions must be answered.

-As a business, the Development Corporation should make sound investment decisions. Given the competing and sometimes conflicting objectives, how do staff make investment decisions? The Financial Management Board requires the Development Corporation to consider the potential life of a project when it makes investments. The Development Corporation should develop targets for selling investments, which become profitable, to private investors. In making investment decisions, they should weigh the possibility of future divertment against the amount of subsidy required. Further, the Financial Management Board requires the Development Corporation to report this analysis in its operations plan (OPPLAN). However, the 1992-93 OPPLAN, reviewed by the auditors, did not contain information on the likely sale of investments.

-The Auditor General noted that the Business Credit Corporation has two potentially conflicting objectives. One is to stimulate the NWT economy (for example, create jobs, the second is to be a self-funding corporation. To stimulate the economy presumes that the corporation will take risks when lending money. To be self-funding requires strict financial

management whereby staff approve only those loans that are reasonably secure.

-The Auditor General points out how these conflicting objectives create problems in applying eligibility criteria for loans. In their response to the audit observation, Business Credit Corporation Managers say BCC has developed operational guidelines for loans for debt restructuring and loans to third parties. The BCC is responsible for making business development loans to northern businesses to create economic development opportunities in communities where conventional lending agencies are not prepared to participate. Therefore, BCC's role is a blend of being a "lender of last resort" and a "development agency" for higher risk entrepreneurial ventures.

## What We Heard

"In summary, the potential for economic development is to utilize all natural resources in the NWT to the fullest extent possible. We cannot settle for only primary production; we must insist on complete secondary production as well. Get the most out of the resource as is possible at the local level."

"If we are to consider long-term development, a diversified portfolio of opportunities must be identified. Long-term planning is essential for economic as well as social stability.

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Ownership of resources must be the mandate of the government and the people of the north. Renewable and non-renewable resources must be inventoried."

Each community and region has access to some resources. These resources must be identified, inventoried and a plan for a sustainable utilization of the resource developed."

"In general, an opportunity developed by the community itself or by the individual himself/herself will be the most lasting and have the greatest impact. Government programs and initiatives seldom survive the test of time unless the community buys into the project. In other words, the project or business opportunity must be community driven. The GNWT may set the stage and facilitate the development but the community must want it!"

"Does this not point to a requirement for a more integrated approach to economic development by the whole GNWT rather than just one department?"

Which department inventories resources; which department identifies opportunities and which department plans for the sustainable use of the resources? Perhaps the GNWT knows the answers to these questions but they should share the answers with the public."

"...recapping my statements, I must reiterate what I feel must be the priorities of the Department of ED&T and the relationship to the Auditor General's report. I have laid these out in four phases. One, is increase communications within departments and communications with other departments to ensure communities receive the maximum benefit potential from each government dollar spent. Two, is ensure that EDOs are properly trained so the community has every opportunity to access ED&T programming. Three, is to simplify client access to ED&T programs and program dollars. Four, is to have a concrete proposal or plan of action to carry out the Auditor General's recommendations."

"We found that the audit wasn't really a total overview of the GNWT economic development and its corporations. It didn't really address how productive ED&T is. What have they done? What have they accomplished over the last three years while this government has been in office? Should it, the department, even be around? Do we need it? Are there other ways that we can address economic development which can be more effective?"

"I think the bottom line from our end of the table is this, we have to look at making this department more effective and more accountable and more suitable to our communities."

One respondent group suggested that the Department of Economic Development and Tourism be disbanded and the funds that would normally be used by the department be disbursed in an equitable fashion across the Northwest Territories.

#### What We Recommend

In their review of the 1993 Audit, committee Members did not find evidence that the government has developed a comprehensive, clearly articulated strategy to guide economic development. Committee Members feel that it is critical to develop a government-wide strategy promptly.

#### Recommendation 1

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories, under the direction of the Department of the Executive, develop and implement a comprehensive economic development strategy which encompasses all government departments and agencies. The strategy should highlight major government initiatives such as income security reform and should cover the period 1995 to 1999.

#### Planning Departmental And Corporation Activities

##### What We Heard

More detailed planning is required for ED&T. Comments of the people who were interviewed as part of the organizational and functional review are summarized below.

Interviewees suggested the department's mandate should include territorial-wide planning. Interviewees felt there was a real need for a broad, long-term economic development plan that clearly articulated potential opportunities, their extent and location; strategies for developing opportunities; and the costs and benefits that would be realized with major public and private investments in different sectors. This would allow the value of one investment to be compared with the value of another investment from a cost/benefit perspective. As it was there was no such plan and no such information available.

##### What We Recommend

Committee Members agree that departmental managers should develop a long-term plan to guide economic development activities.

#### Recommendation 2

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a territory-wide plan for long-term economic development. Further, the committee recommends that the plan should address division of the territories in 1999.

The 1993 audit notes that the Development Corporation needs a more detailed plan. The plan should set out a future direction for its board and management. As well, a detailed plan would provide the basis for longer-term strategic discussions with ED&T on economic development. In addition, Development Corporation management could more

accurately inform the Financial Management Board about future funding needs.

Because the Development Corporation does not have a corporate strategic plan, there are no corporate targets or other specified goals that hold management accountable. The Auditor General made the following recommendation to address this situation. The Public Accounts committee concurs fully with the recommendation.

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Development Corporation should:

1. Develop a strategic plan showing where it will interact with ED&T in the NWT economic strategy; and,
2. Set specific targets and goals for its overall operations on an annual and multi-year basis, showing where it plans to position itself in the NWT economy, and this plan should be approved by the board of directors.

#### Measuring Results

The Government of the Northwest Territories spends about \$51 million a year on economic development. With this magnitude of resources at stake, the Department of Economic Development and Tourism needs to know if programs are having the required results.

The 1993 Audit report comments on results management as follows:

"Results can fall into several different categories, such as program operational efficiency and effectiveness which is concerned with the cost of producing outputs -- goods or services -- delivered by a department, and overall effectiveness, often referred to as outcomes, which is concerned with the extent to which the outputs achieve the program's objectives. Both types of results are important for managers and the Legislative Assembly to know. In a complex environment where money is tight, working economically and efficiently to produce results at the least cost is an absolute must."

Once the strategy and long-term plan for economic development in the Northwest Territories are known, it is important for the department to collect meaningful information on results. The information can be used to steer development activities. Managers and legislators need to know whether objectives are being

met efficiently. Otherwise they run the risk of pouring money into unsuccessful areas.

Committee Members noted that the Development Corporation, in particular, needs to learn how to acquire meaningful information to calculate benefits. They need to measure the benefits resulting from spending money in the communities. For example, how many jobs are created and at what cost?

Although the Development Corporation told the committee that such information was being collected and analyzed, committee Members were not convinced that the information provided a clear, accurate picture of the results achieved by the corporation in its day-to-day operations. Members feel that the Development Corporation could benefit from expert advice in this area.

The committee is aware that there is a new audit and evaluation unit in the Financial Management Board Secretariat. Committee Members understand that this group is responsible for guiding results management across government.

During its review, committee Members asked the secretary to the Financial Management Board to describe the mandate, organization and resources assigned to this new unit. Committee Members were particularly interested in whether the unit's mandate extends to providing assistance to departments and Crown corporations with results management. The secretary to the Financial Management Board provided the committee with preliminary and follow-up information in addition to organizing a detailed presentation for committee Members.

Committee Members discovered that it is within the mandate of the audit and evaluation unit to provide assistance to the department and the corporations with managing results. However, the unit is in the formative stages of development and does not currently have the resources to satisfy the full extent of its mandate. Committee Members are aware that there is a large demand for the services that this unit is responsible to provide. They are very concerned about how these needs will be addressed while the unit obtains the necessary resources.

Committee Members will be monitoring the progress of the audit and evaluation unit in general. They will be particularly interested in assistance provided in the area of economic development.

Strategic Directions

## Focus On Small Business

One of the points made over and over again is the need to focus on small business and on entrepreneurs. Committee Members noted that the potential for significant returns flowing from small businesses is great. They related examples where investing small amounts of money created jobs and self-sufficiency for people. If value for money is assessed, committee Members believe that these small investments would prove to be the most cost-beneficial.

In spite of this observation, the Development Corporation, in particular, has tended to fund big projects. Large projects create a relatively large number of jobs in a limited number of communities. While this strategy has been successful in some communities, committee Members believe that more could be gained by making smaller investments in a large number of communities.

One respondent has this to say about the issue of entrepreneurs:

### What We Recommend

Committee Members feel that it is important to investigate the relative advantages and disadvantages, to NWT communities, of small versus large scale investments.

### Recommendation 3

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories conduct a cost-benefit analysis to compare the value for money achieved from small as opposed to large scale investments. Further, the

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committee recommends that the government review and adjust its policies for issuing grants, loans and contributions, as required, based on the results of the analysis.

### Marketing

The auditors noted that ED&T does not have an effective, overall marketing strategy that matches product to demand. They emphasized this need in their discussion of arts and crafts. They suggest that a marketing strategy should focus on maximizing benefits to the communities.

The Auditors noted that ED&T awarded several consulting contracts for more than \$560,000 in 1992-93 and 1993-94. These contracts targeted international markets for NWT arts and crafts products. The auditors' observations about these contracts are summarized below.

"The contracts cover market research, advertising, putting on exhibitions in galleries, purchasing software to record retail sales, and purchasing a retailer's own sales information.

Most of these contracts include information that the contractors are to provide the division. The contracts often contain specific requirements, yet the division has not set up any procedures to ensure that the requirements are met...

As noted, previously, only about one-third of retail sale revenues return to NWT producers. We did not see any analysis comparing the significant marketing costs with the returns to NWT industry. Without such analysis, the department does not know if the costs are greater than the payback."

Committee Members feel that an essential element of the marketing strategy is collecting and distributing market information to people in the communities. People in the communities need to be aware of the outside market. They need to know whether there will be buyers for the products that the community produces.

The auditors noted that a marketing strategy is also required to govern the tourist industry.

"Deciding how much to spend on marketing NWT tourism is more complex than deciding how much to spend on parks for residents. The establishment policy requires the department to develop a healthy tourism industry. Obviously this has to be done with the resources made available by the Legislative Assembly.

The department does not know if it is getting the best return from its marketing activities. To be able to do this, it will need to know the total input costs plus what it achieves. Presently, the department does not know the total input costs because it does not analyze financial assistance payments to tourism operators and associations. To assess this would require knowledge of how much the government spends on tourism marketing through the department plus other departments and agencies, and what it gets in return. This means measuring how many tourists visit the

territories and how much they spend in which areas and sectors. Presently, the department has only a limited amount of such information."

In the summer of 1994, ED&T produced the Northwest Territories Tourism marketing strategy -- 1994-95 to 1998-99. This strategy does not meet the conditions set out by the auditors. The author describes the data that the strategy is based on as follows:

"The last territorial-wide survey of the NWT's non-resident travel market was undertaken in 1989. This data is very "stale" and tells us nothing about the NWT's current customer base. Secondly, while the 1989 visitors' survey was professionally executed, in hindsight, it should have provided more data and information on the NWT's tourist visitors. Consequently, we've had to make some educated guesses about the status of the industry's current customer base.

It is important that the NWT undertake a detailed territorial-wide visitors' survey in the initial years of the new strategy's implementation. A more current survey will ensure that the marketing strategy is on the right track in terms of what products really drive tourism to the NWT and what markets hold the best potential for the industry at both the territorial and regional levels."

Given these qualifiers, the utility of the tourism marketing strategy is questionable, at best.

#### What We Recommend

##### Recommendation 4

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a comprehensive marketing strategy that focuses on the collection and distribution of reliable market information.

##### The Role Of Tourism

Worldwide competition for tourist dollars is fierce. With shrinking resources, governments have to assess where they are to invest their money and human resources to obtain the best results. The central issue is the appropriate role for tourism. There has been a great deal of discussion about whether, in times of fiscal restraint, we should be spending money in the area of tourism and parks.

Is tourism an economic development activity? If it is, then we should have cost-benefit analyses that demonstrate that tourism is effective in developing the economy of the territories. This would encourage Members of the Legislative Assembly to support tourism and approve money being spent in that area.

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If the aim of tourism and parks is to provide recreational opportunities for citizens of the Northwest Territories, then the issue is somewhat different, and the way decisions about expenditures are made will also be different.

One respondent provided the following view of tourism as an investment.

"'Tourism' is a good investment for government, in times of restraint, as well as in the good times -- whenever these are -- if the word "tourism" is accepted in its broadest sense. Tourism includes culture, heritage, the environment, education and preserving a way of life; not just the dollars and cents or people counts used to measure success.

The investments have to be made, then the product has to be promoted. Investments have to be made in more than just facilities, it must also be made in people."

The Auditors noted the lack of a strategic plan for tourism in the Northwest Territories and provided the following comments.

"A strategic plan should set out what is to be done to attract visitors including the types of investment, both in capital assets and operating expenditures. The department produces a five-year capital plan but could not provide us with any kind of future-oriented strategic plan. Thus we have concerns that spending in the tourism program, both on capital assets and other costs may not produce optimum results. In particular, the department has no long-term plan setting tourism goals, and how individual projects, including parks and visitor centres will help to meet these goals. The cost of the tourism and parks programs has grown to an estimated \$11.6 million in 1993-94.

In general, we found a lack of any strategic direction or plan with specific goals and objectives and time related targets for the department's tourism efforts."

#### What We Recommend

## Recommendation 5

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism develop a comprehensive strategy to guide the development of parks and the tourist industry in the Northwest Territories. The strategy should be based on clear goals and objectives and accompanied by cost-benefit analyses of various strategies considered.

### Economic Development Policies

#### Financial Assistance Policies And Guidelines

In February 1990, the government issued an "agenda for action" outlining an economic strategy. The agenda's economic strategy has different components and identifies the departments that are responsible for taking a lead role in achieving the objectives. For example, the strategy recognized the key role for the Department of Education, Culture and Employment in combating illiteracy and preparing people for work.

ED&T's responsibility, as cited in the Agenda, has four parts, as follows.

-Creating jobs and income opportunities in disadvantaged areas,

-Improving access to capital,

-Managing the buy north program, and

-Revising the business development fund (BDF)

The distribution, across programs, of funding provided to business in the fiscal year 1992-93 is shown below, taken from the 1993 Audit report, page 21.

Direct financial assistance to businesses in 1992-93: business development fund, \$2.4 million; EDA, \$7.5 million -- under the agreement, Canada is to provide 70 per cent of the total EDA funding over a five-year period; other ED&T contributions, \$3.1 million; total ED&T assistance, \$13 million. Development corporation investments and subsidies, \$8 million; BCC loans, \$5.1 million; total financial assistance, \$26.1 million.

#### Business Development Fund (BDF)

The Department of Economic Development and Tourism provides financial assistance through the business development fund. The 1993 audit report describes the BDF as follows:

"BDF consists of a group of business contribution programs grouped under a single policy. The policy uses a life cycle model of financial assistance. Separate schedules cover each phase in a business life cycle. The policy has both general and specific provisions for each schedule. Some of the more significant general provisions are:

-Employment creation is the primary criterion used in assessing benefits of any proposed project.

-The BDF is not an entitlement program. An applicant does not automatically receive assistance just because the application meets all BDF's rules.

-Repayable contributions are permitted by the policy.

The amounts approved in 1992-93 by BDF schedule as follows:

Approved Assistance -- this combines assistance approved in 1992-93 part of which may be paid in subsequent years -- 1992-93 BDF: opportunity identification and research, \$462,000; business creation, expansion or investment, \$1.183 million; market and product development, \$439,000; business skills, \$113,000; business relief, \$235,000; venture capital, \$300,000; business bailout, \$25,000; total, \$2,757 million.

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#### Economic Development Agreement (EDA)

The GNWT negotiated a new economic development agreement with the Government of Canada. This agreement became effective on April 1, 1991. The Department of Economic Development and Tourism and the Government of Canada's EDA directorate have joint control of this program under a series of EDA agreements and sub-agreements. Over the five-year life of the agreement, Canada will fund 70 per cent of the projects through the departments of Indian Affairs and Northern Development; Forestry; and, Industry Science and Technology.

The 1993 audit report describes the funding provided through the EDA as follows:

"The EDA directorate maintains contribution files on behalf of both Canada and the Government of the Northwest Territories. ED&T makes all contributions and recovers the federal share which it accounts for as revenue. The agreement has eleven sub-agreements or target areas:



Approved assistance in 1992-93: fine arts, crafts and souvenirs, \$1,230 million; cultural industries, \$262,000; community sponsored development, \$1.303 million; minerals, \$1.591 million; agriculture, \$681,000; wildlife harvesting, \$185,000; fisheries, \$1.365 million; forestry, \$486,000; entrepreneurship, \$24,000; tourism, \$1,028 million; administration, \$861,000; total, \$9.016 million.

"Regional management committees consult the public and develop regional workplans. Thus, the EDA is quite proactive in identifying and targeting economic development opportunities. The EDA has two or three banking days each year when applications are received formally."

#### Other ED&T Contributions

The almost \$3.1 million of "other ED&T financial assistance" for the fiscal year 1992-93 covers several small programs, including tourism associations; the arts and crafts tools and equipment grant program; a community works program; and, a commercial fishery's subsidy program.

#### Development Corporation

One of the main elements of the economic strategy was the

creation of a development Corporation to take advantage of, and enhance, the natural resources and skills in the smaller communities where the private sector has been unwilling to invest.

Development Corporation can buy or create businesses. Its investment guidelines, supported by the Financial Management Board, allow a maximum capital investment of \$100,000 for each job directly or indirectly created. In addition, if subsidiaries lose money, Development Corporation can give an annual operating subsidy of up to \$10,000 per job with FMB approval.

Development Corporation can become a minority -- less than 50 per cent -- owner in businesses which then become venture investments, and can invest up to \$100,000 per job. It does not pay operating subsidies to venture investments.

#### Business Credit Corporation

The Northwest Territories Business Credit Corporation was created in October 1991 under the Northwest Territories Business Credit Corporation Act. Previously, the Department of Economic

Development and Tourism delivered the loan program from the business loans and guarantees fund (BLGF). The 1993 audit report describes the transition from BLGF to BCC as follows:

"The government transferred all of the assets, liabilities, and contingent liabilities of the old BLGF to BCC and repealed the old BLGF Act. At 31 March, 1993 BCC had 261 loan accounts, one \$42,000 guarantee and no bonds. It also had total loans and interest receivable of \$19 million with an allowance for doubtful accounts of \$7.3 million. Previously, bad debts were charged to ED&T but now they are a BCC cost."

BCC loans carry an interest rate set by the Financial Management Board. These are based on prime lending rates that are fixed for the long term. BCC management informed the auditors that the range of approved interest rates is not sufficient to support a break even position or to cover bad debts expense.

The auditors provided the following assessment of BCC's financial position:

A key objective of the financial assistance programs is that, all together, they should meet the needs of NWT business people. ED&T managers informed the auditors that the department and corporations have a "seamless wall of programs" from contributions to equity investments. Having a "seamless wall of programs" implies that, from the client's point of view, there is one place to go for financial assistance. And the entire range of services is available at that single location.

The auditors examined the idea of a "seamless wall of programs" and identified a number of problems. Following is an example:

"BCC cannot fund operations outside of the NWT by way of loans, but BDF can by way of contributions. This does not make sense from a fiscally prudent perspective. If financing an operation in southern Canada creates NWT jobs, with

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good prospects for profitability, then it may make sense to make a loan. Yet, presently, an NWT enterprise doing business in the south, even if it is prosperous, can get free money but not a BCC loan; but one that has been rejected by a bank as too risky, can get a loan. Perhaps it should be the other way around.

## What We Recommend

Committee Members are very concerned by the overlapping jurisdictions and inconsistent policies and guidelines governing the granting of financial assistance, across programs, in the department and the corporations.

### Recommendation 6

The Standing Committee on Public Accounts recommends that the government develop a rational plan for the delivery of economic development financial assistance programs across the Northwest Territories.

Besides the need for consistent policies and guidelines, one EDO spoke of the need for information about other sources of funds.

"The use of, or access to, funding from sources other than the department, to some extent depends on our knowledge of requirements for using those sources. A comprehensive reference source of all funding available from all sources would assist economic development officers to quickly identify the best sources of funds for a given project and the requirements for accessing those funds. We can not access funds of which we have no knowledge."

### Repayable Contributions

Committee Members noted a number of situations where clients who are potentially able to repay money granted are receiving assistance in the form of non-repayable grants and contributions. They also noted that other jurisdictions in Canada are reducing economic development funding and are investigating the idea of repayable contributions.

Committee Members feel that the Government of the Northwest Territories could benefit from exploring the idea of repayable contributions. Repayment could be required in all cases where it is determined to be possible. The funding could then be "recycled" -- used to help others who require funding assistance.

### Recommendation 7

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism and the NWT Development Corporation examine ways to replace traditional non-repayable grants and contributions with repayable contributions.

## Plain Language

The auditors noted problems in dealing with clients and processing applications for funding assistance. Many of the problems resulted from the wording of the policies, forms and applications. The auditors describe the problem as follows:

"We tested the BDF policy together with a BCC loan agreement, a BDF agreement, and the Economic Development Agreement with a computer readability program. The software measures the grade levels and how easy the documents are to read. In every case, the documents are difficult to read for most people. They all require an education level above grade 11 to be able to understand and most used vocabulary that may be too advanced for readers. The BDF and EDA agreements also use long sentences, too complicated for most readers to understand. Many governments are attempting to make services to the public less complex. In these types of communication where readers may not be well educated, simple communication is vitally important."

The audit report included the following recommendation about the issue of plain language.

Each policy and related agreement should be rewritten to simplify the language.

When department witnesses appeared before the committee, they said that they had begun to make significant improvements in the language used in communicating with clients. Committee Members believe that using plain language in policies, guidelines and application forms is a straightforward way to make improvements in the delivery of financial assistance programs. Committee Members will be monitoring the department's progress in this important area.

### Multiple-Dipping

The auditors noted cases where some businesses received financial assistance from several different programs. Committee Members do not view this practice of "multiple-dipping" to be a problem by itself. But they feel that information about the total amount of support provided to individuals and companies should be available to decision makers. The auditors provided the following illustration of this issue:

"Management told us that it is their normal practice to use BDF contributions to improve an applicant's

financial position to the point where he may qualify for a BCC loan. We saw no written policy to this effect. While this may not be inappropriate in all cases, clearly it is important for the staff of the various programs to share information and be aware of the potential impacts of multiple funding. For example, in one case, over a three-year period, one business received funding from Development Corporation and BDF, plus service contracts. In total, it received cash and offers of cash totalling \$216,146.

In another instance, over a multi-year period, a business received or will receive a total of \$2.6 million from a combination of Development Corporation, ED&T programs, and other government programs. We extracted this information from the government's financial information system, but it is not clear from the files whether the staff approving each payment knew about the others."

The auditors made the following recommendation about the

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practice of multiple dipping. Committee Members concur with this recommendation.

The department should:

1. Ensure that it has all pertinent details of funding applied for or obtained from other programs before finalizing its assessment; and,
2. Ensure that all conditions set out in the agreements are monitored and verified before releasing funding.

#### Processing Time

Both the auditors and the consultants who conducted the organizational and functional review, noted that the department and the corporations take a long time to process applications for funding. In some cases, the client had lost interest by the time that the application was processed.

Managers appearing before the committee said that they have made significant improvements in processing time. This was confirmed by some individuals making presentations to the committee. Changes expected to speed up the processing of applications include departmental reorganization and the delegation of approval authority to the regions.

One respondent who does not believe that processing time has been reduced had this to say:

"We were pleased to see the recommendation and management's acceptance of the comment regarding unreasonable time delays of financing for clients. It is our understanding that the departmental reorganization and delegation of authorities have been in place for some months now. Despite the reorganization, from our clients perspective, there has been no appreciable change in the turnaround time of a loan.

The issue which must be addressed is what tool can be developed and utilized to measure the success of the turnaround to clients. Such a tool must be developed to ensure that all clients are able to conclude their business transactions in a timely way. This measure must have built-in alerts to ensure that no applications go any longer than the "set" amount of time specified. The average 90 day period is far too long to wait for a decision."

The committee recognizes the efforts of the department to respond to this issue. However, Members want to ensure that the department continues to act on these concerns and will be monitoring application processing time.

#### Background Of Applicant

Normally when financial assistance is being granted, particularly in the form of a loan, the applicant's background is a very important factor in making the decision. However, committee Members identified situations where potential clients really need a second chance. The difficulty is -- how do you go about giving people a second chance while at the same time maintaining a set of funding criteria? The auditors made the following recommendation in this regard and the committee fully concurs.

The department, in conjunction with BCC and Development Corporation, should develop guidelines on when an applicant's past is relevant to current applications. There should also be procedures outlined on how to investigate such matters.

#### Conflict Of Interest Guidelines

Committee Members feel that there is greater potential in the area of economic development than in other areas of government for real or perceived conflict of interest to occur. The auditors had the following comments on conflict of interest:

"With a small business community in the north, government has to be alert constantly to possible conflicts of interest of individuals serving on boards, or as members of the Legislative Assembly, who need financial assistance for their business interests. Several of the cases we reviewed show ownership by people who may be in a position to influence approval of loans or contributions. While we have not seen any cases where this influence has been used, the mere association of public figures with government funding organizations may send the wrong message to the public...

Potential conflicts of interest exist in the operation of ED&T, BCC and Development Corporation. Employees may become aware of information or business opportunities which can benefit them personally. Members of the boards of BCC and Development Corporation are business people who may become aware of information or have other dealings with ED&T, BCC or Development Corporation. Appropriate conflict of interest guidelines are necessary."

The auditors reviewed the various acts, policies and guidelines applicable to the boards, senior management, and staff of ED&T, BCC and Development Corporation. They were satisfied that Development Corporation has a good conflict of interest framework in place for all levels. The Conflict of Interest Act applies to BCC's board and manager. BCC is developing a further guidelines for the board.

All ED&T and BCC employees are subject to a set of rules in the Public Service Act and regulations and the collective agreement. Provisions also include an oath of secrecy and prohibition of outside business or employment that conflicts with current duties. However, because employees have access to information that might benefit them personally, the auditors and committee Members all feel that it is necessary for the department to develop internal ED&T conflict of interest policies.

#### Recommendation 8

The Standing Committee on Public Accounts recommends that the department conduct a comprehensive review of all conflict of interest guidelines currently in place and develop appropriate internal conflict of interest policies that are separate and distinct from those in place for all public servants.

## Organization And Mandate

### Effective Service Delivery

Committee Members expressed concern about the relatively small proportion of economic development funds that flow to and stay in the communities. The consultants conducting the organizational and functional review of ED&T and the Auditor General of Canada reported similar concerns.

The 1993 Audit report contains the following observation about administrative costs.

"We also noted that the department's administrative costs appeared high in relation to financial assistance payments.

In making any comparisons, management can allow for the fact that ED&T's financial assistance spending should include EDA and BCC disbursements because the department incurs most of the delivery costs for these programs."

The Auditors made the following recommendation:

The department should review its administration costs in relation to financial assistance spending and compare this important measure against similar organizations on a regular basis.

The Report of the ED&T organizational and functional review includes the following observations:

"Department Should Become An Enterprising Department: The department is viewed as bureaucratic, ineffective and inefficient...Enterprising governments however, force themselves to work in partnership with the communities they serve to paint a vision of a desired future and then develop tactical and strategic initiatives that allow that vision to become reality. Enterprising governments identify opportunities for more efficient and effective operations, thus freeing up funds that can be redirected...

Another observation is that typically, governments are only concerned with the spending of money or how much they've got to spend, and their focus is on cost minimization. As a result, inefficient decisions are often made. Indeed, most government budgeting systems are a deterrent to enterprising governments since no incentive exists for cost efficiency and reduction. Thus, a must initiative for the GNWT will be to allow the Department of Economic Development

and Tourism to redistribute all or part of budget savings and/or revenues earned."

#### Economic Development And Tourism

The Department of Economic Development and Tourism commissioned an independent consulting firm to undertake an organizational review of the department. The review was completed and submitted to the department in the fall of 1993. This review considered the following elements:

- The organizational structure of the Department;
- The function of headquarters and the regional offices;
- The department's approach to meeting client needs and expectations; and
- The department's funding policies to identify gaps, deficiencies and overlaps in programming.

The Standing Committee on Public Accounts examined the consultant's report as part of its review of the department. Committee Members found the consultant's findings to be consistent with the findings of the Auditor General. Department managers informed the committee that they have already implemented a number of the recommendations of both the consultant and the Auditor General. The following are examples of such changes:

- Some senior management positions in headquarters have been eliminated and some staff positions realigned.
- Headquarters is now responsible for coordinating territory-wide activities, developing economic sector strategies and implementation plans, and monitoring and evaluating policies and funding programs.
- An improved accountability system for all the department's funding sources has been introduced and a more effective program evaluation system will be developed.
- To keep clients better informed, the department is developing a public relations plan. More emphasis will be placed on "face-to-face" communication rather than printed promotional material.
- Program approval and expenditure authority has been delegated to regional superintendents. Most applications for funding assistance will be considered in the region and not forwarded to Yellowknife.

Therefore, clients will receive a quicker response and decisions will be more reflective of local and regional economic circumstances. Committee Members are concerned that staff in the regions have sufficient analytic resources to make effective decisions at the regional level.

-Human and financial resources will be redeployed within the department to ensure that regions will be fully qualified to assume new program delivery responsibilities. Staff members who are assigned new duties will be provided training so they are fully capable of performing these duties and skillfully serving clients.

Given that the organizational changes were made recently and that further changes were being implemented while the committee was reviewing the 1993 audit, committee Members will monitor these changes and assess the results of all organizational changes.

The consultants in their report on ED&T organizational and functional review observed that the "department should become a client-driven organization." The reason for making this suggestion is that the department receives its funds whether clients are satisfied or not. Further, most clients have no alternative but to use the department's programs and services. The consultants offered the following:

"We can therefore conclude that the department should spend some time and effort on finding out what their clients expect from the department -- for example, through client surveys,

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client follow-up, community surveys, contacting clients directly, focus groups, meeting with business groups, and possibly introducing a complaint tracking system; in short, satisfying the customer. Research indicates that client-driven organizations increase accountability; depoliticize choosing and favouring one provider agency over another; stimulate innovation; give people choices between different kinds of services; waste less because they more properly match supply and demand; empower customers thus making them more committed customers; and finally create greater opportunities for equity."

Planned Transfer Of Parks

Some time ago, Cabinet directed the Department of Economic Development and Tourism to transfer responsibility for parks operations, planning and program development and related visitors' services to the Department of Renewable Resources. At the completion of the committee's review, this had not yet occurred. Although committee Members questioned the department on plans for this transfer, witnesses did not have answers.

#### Recommendation 9

The Standing Committee on Public Accounts recommends that Cabinet review its direction to transfer the parks program to the Department of Renewable Resources Department, and provide a report on this review and an implementation plan, if required, to the Legislative Assembly.

#### NWT Development Corporation

Concerning organization and mandate, committee Members feel that the primary issue with the NWT Development Corporation is its relationship to the Department of Economic Development and Tourism.

The government created the Development Corporation on August 24, 1990, as part of the government-wide economic strategy. The NWT Development Corporation Act has four main objectives:

- Create jobs and income primarily in small communities;
- Stimulate growth of businesses;
- Promote economic diversification and stability; and

The auditors noted that to date, Development Corporation has operated autonomously from ED&T and the rest of the government. The Minister responsible for Development Corporation is also the Minister of ED&T, and the Development Corporation Act allows the Minister to give formal direction to the corporation. The auditors offered the following as comment on the relationship of Development Corporation to ED&T.

"To date Ministers have issued three letters which give the board of directors general direction on where to focus its investments and in one letter to consider specific investments. However, the letters do not direct all aspects of Development Corporation's operations and still allow significant autonomy to the directors and management.

While we noted the autonomy and found no formal consultative process, Development Corporation management informed us that it has ongoing, informal communication with ED&T management.

There may be opportunities to better integrate Development Corporation's and ED&T's contribution towards the government's overall economic strategy. For example, ED&T's management has plans to identify and target specific sectors of the economy for assistance in the near future. To the extent that ED&T defines economic policy for the government, Development Corporation could participate in a more focused approach. If Development Corp and ED&T do not work closely, there is a serious risk that money could be wasted..."

The Auditor General of Canada made the following recommendation and the Standing Committee on Public Accounts concurs.

Development Corporation and ED&T should clarify their respective roles and working relationships.

The Public Accounts committee will be monitoring the response to this recommendation.

The report prepared by consultants on the ED&T organizational and functional review had some interesting observations on the mandate of the Development Corporation.

"Some of those interviewed thought the Development Corporation's mandate was wrong. Focusing on job creation while trying not to lose money would in the long run bankrupt the Development Corporation. They felt a more appropriate strategy would be to balance job creation with profit generation projects. They also questioned a number of Development Corporation investments as being impractical and out of touch with the marketplace. Others said the Development Corporation was competing with those already in business and better able to develop projects; for example, marketing arts and crafts."

#### NWT Business Credit Corporation

Committee Members feel that the main issue with the Business Credit Corporation (BCC) is that while originally set up to be an arm's length corporation, it is not operating in that way. The Corporation's General Manager now reports to the deputy minister of the Department of Economic Development and Tourism. The committee was informed that there are plans to

have the Corporation's General Manager report to an assistant deputy minister.

The auditors had the following comments on the supposed independence of the Business Credit Corporation:

One of the reasons given by management for setting up BCC was to make it more independent of normal government operations. But there is a dilemma in how this was implemented. Fiscal restraint prohibits BCC from setting up its own regional and headquarters structures with sufficient staff to run its operations independently. Presently, the Corporation is totally dependent upon ED&T for all analysis and support functions. BCC occupies office space in the same premises as ED&T. All evaluation and administrative support is provided by ED&T except for direct loan administration performed by the BCC loan clerk. The

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BCC manager has a close working relationship with the Department and, while these arrangements may make economic sense in avoiding expensive duplication of services, they do not create an image of independence...

...From our review of BCC files, we noted several accounts that have a combination of BDF contributions and BCC loans. Staff consult the Deputy Minister on BCC matters and the BCC Manager uses the Business Development Services of ED&T to analyze applications. BCC has, but does not yet use, its own separate bank account.

Committee Members feel strongly that a decision needs to be made about the desirability and feasibility of having the BCC independent of government operations.

Recommendation 10

The Standing Committee on Public Accounts recommends that the government and the Department of Economic Development and Tourism assess the feasibility of maintaining the Business Credit Corporation as a separate corporate entity. The review should consider bringing the loan function of the Business Credit Corporation back into the Department. The findings should be reported to the Legislative Assembly.

Recommendation 11

The Standing Committee on Public Accounts recommends that, in the interim, action be taken immediately to clarify the mandate and organization of the Business Credit Corporation and its relationship to the Department of Economic Development and Tourism.

The auditors noted a problem with the mandate of the BCC as set out in the governing legislation. Section 32(1) of the Business Credit Corporation Act indicates that no loan should be made unless it can be repaid. On the other hand, Section 27(2) requires that a business be unable to obtain a loan from a financial institution on reasonable terms and conditions; or that there not be a financial institution in the applicant's community. The audit report goes on to explain - A business that cannot obtain a bank loan would normally be considered a high risk. BCC has to face the same risk of non-repayment, but under section 32 must satisfy itself that the loan will be repaid. This dilemma may force BCC into only making safer loans, but that in turn may mean that it is not taking the kind of risks needed to stimulate the economy."

The 1993 audit report contains the following recommendation about the above issue. Members of the Standing Committee on Public Accounts concur with the recommendation, BCC should clarify its eligibility criteria including applications for debt restructuring and repayments of debts to third parties and assess the impact of the corporation's need to break even.

Programs, Roles And Responsibilities

Cohesive Approach To Programs

The government has created a number of programs that specifically address economic development. Many other programs have been initiated and are funded through the federal government. However, all the money comes from government sources and it makes sense to look at the total funding for economic development as if it were one pool of money and people. Improved efficiency is one way of ensuring that the government will get the best value for money in economic development. Thus, the government should examine whether there are better, more efficient ways of achieving its objectives.

Many of the people who provided information to the committee pointed out the need to create a cohesive approach to economic development programs -- a need to create one window shopping. The client should be able to go to one place to get all the

information they need about acquiring funding assistance. Whether it comes from different pots of money or not, should be transparent to the client.

#### Aftercare Services

Along with one window shopping, committee Members and presenters identified the need to develop more aftercare or follow-up services. Once funding assistance has been granted there seems to be, in many cases, no follow up service from the Economic Development Officer, the Department or the Corporations. Aftercare service is required because many clients, although very proficient in their work (for example, producing arts and crafts products) are not experienced in the administration and management of the business. Often, there is no follow-up until the business is in trouble and by then it is too late to rectify the problem areas.

One respondent described their view of the need for follow-up services as follows:

"...the policy surrounding business counselling should be that ED&T must provide counselling to its business clients. If this is not provided, then the programs are simply setting the clients up for failure. If one of the main reasons why funding assistance is required is that financing cannot be obtained through conventional lending, then there is often a requirement for assistance with management of the business.

If the objective of Economic Development and Tourism is to promote business, then it must counsel its clients on business management matters. Such services should include complete business planning assistance, and should allow for ongoing management assistance for all aspects of the business. At the very least, ED&T should provide those services in the smaller communities with no access to people with business expertise.

Even when taking into consideration the potential liability factor, it is still important to provide entrepreneurs with expertise in the areas which they require it. Otherwise, business failure may cause greater losses to the GNWT than any potential lawsuit. Professional liability insurance should

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be sought out to protect the GNWT from this.

Development of resource materials for the clients would be a good way to address the needs of new entrepreneurs. Some topics might include:

marketing, financing, manufacturing. This approach is more practical management type of assistance than is currently offered by the GNWT."

One Economic Development Officer said that follow-up in some communities is hampered because some businesses are set up in clients' homes. The EDO may feel quite reluctant to bother someone in their home to monitor the business enterprise. In addition, some clients do not want to see the EDO once funding has been granted.

The auditors offered the following comments regarding aftercare services.

"Aftercare service is following up with clients after they have received the money. There are three important reasons to do this:

1. There assistance is repayable, the government should monitor the client's business to ensure that repayments are made when due.
2. To offer management help to maximize the chances of business success including sustaining jobs.
3. Allow ED&T to determine if its financial assistance programs are working.

...General service to the public, including business counselling, and aftercare are both important to develop the business community and to help the economic strategy to succeed. But EDOs told us that they spend, on average, about 11 per cent of their time on follow-up and aftercare. This may be insufficient to provide the kind of client service apparently needed.

The need for follow-up services was also noted in the organizational and functional review.

"All those interviewed agreed the mandate should have a broader, developmental interpretation including provision of aftercare and business management training to business clients. This would be especially helpful in the less developed communities of the NWT where opportunities for business development are limited and constraints to development such as the lack of a well trained and educated workforce and small markets are major impediments. Many of those interviewed felt that the



Department's mandate was sound in theory, but the lack of focus on business aftercare meant that many businesses failed even though they received adequate funding.

In this regard, most interviewees said that current training and aftercare programs available from other agencies were ineffective or inappropriate to the business community. Interviewees suggested the alternative of having the Department deliver aftercare and business training, or contracting this role to the private sector or a third party agency."

Committee Members feel that if the economic development of communities is to be successful, business services must be available to clients after funding has been granted.

#### Recommendation 12

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism identify client needs for follow-up services and develop a

comprehensive aftercare program that meets these needs and protects the investment of government money.

#### Affirmative Action Program

The Department of Economic Development and Tourism uses the Affirmative Action Business and Economic Development Education and Employment Program (AABED) for training potential EDOs and other affirmative action candidates. Under this program, the Department selects candidates for academic training, and helps to pay for their education. After graduation, candidates work on the job, under supervision, to see if they fit in and perform well in the program.

Committee Members recognize the importance of recruiting and training affirmative action candidates and believe that programs such as AABED can help the government to reach its affirmative action goals. However, the auditor's report clearly demonstrates that this program is not functioning as successfully as it could.

#### Recommendation 13

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism, in consultation with the Department of Education, Culture and Employment,

assess the AABED program to determine where it might be enhanced or improved.

The committee further recommends that based on this assessment, the Departments enhance the existing program or develop a new program to provide training for affirmative action candidates in economic development. The new or enhanced program should include an "on the job training" component.

#### Communication

Committee Members feel strongly that EDOs should have a thorough knowledge of the community they are hired to serve. They must be familiar with its culture and language. EDOs must be able to communicate effectively with the people in the community they serve. Compulsory cross-cultural training for EDOs is one way to achieve this objective.

#### Recommendation 14

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism establish a plan that provides an effective cross-cultural

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orientation and training program for newly hired Economic Development Officers.

The committee further recommends that individual training plans within the performance review and planning process require cross-cultural awareness training at least every fifth year.

Further, the committee recommends that senior managers within the Department of Education, Culture and Employment provide a model for the Economic Development Officers by each participating in a program of cross-cultural awareness.

#### Conflicting Roles For EDOs

The role of EDO is central to developing the economy of the Northwest Territories. EDOs are the first level of contact between the government and the business community. Their work is very important and very visible. Committee Members are concerned that the expectations that the Department has of EDOs may be somewhat unrealistic. Some of these concerns are cited by the auditors:

"The Department expects EDOs to give advice and assistance, plus help to prepare applications. This is

an advisory type of role. Also, they accept, analyze and recommend applications. This is more of a watchdog role. These two roles essentially conflict. It can be difficult to both critically evaluate and advocate, particularly where the recommendation is to reject."

One EDO had the following comments about the conflicting roles.

"There is conflict, as previously noted, between our role as advocate and assistance provider to our clients and our duties as employees of the Department. Literature which sets out clearly the responsibilities of clients to provide information and the requirements which the client must meet as well as the responsibilities and duties of the Economic Development Officer would help to reduce some of the tensions that arise in the dealings that occur among them."

The auditors believe that the Department should clarify the roles of EDOs. The committee concurs with this belief. In clarifying the roles, the Department must remember that giving help and advice to an applicant on how to apply for funding and assistance in completing documentation may be a reasonable role of EDOs. The auditors offer these words of caution:

"...there may be a cut-off point beyond which advice becomes business specific and applicants act on that advice in making investment decisions. There may be a risk to the Department if EDOs give this specific type of advice, which may be shown later to be faulty."

An EDO offers the following perspective on the issue of conflicting roles:

"I agree that aftercare service is important to the client and that more time should be spent assisting the client once the project has got under way. The first year of any business is probably critical as a bad mistake could severely endanger the continued operation of the business. There is the ever present danger that on occasion the wrong advice may be given to the client and the business may fail. The client may then possibly sue for damages for the wrong advice.

The audit report makes the following recommendation, with which the committee concurs.

The department should:

1. profile an ideal EDO candidate, take steps to recruit individuals who meet it, and provide them with appropriate training; and,
2. define clearly the role of an EDO and how they should interact with the region and headquarters.

#### Inventory Control And Management

Committee Members and the auditors noted some serious problems with the department's inventory control and management. These problems include the following items:

- The department acknowledged that it does not have the expertise in-house to choose art works for exhibition and yet this has been occurring.
- The department does not have the expertise in-house to evaluate much of its existing inventory.
- The department does not have accurate records of the condition of items in its inventory.
- The department is housing inventory in a number of locations, including a Winnipeg warehouse, but does not have accurate records of what is housed where.

The auditors made the following recommendation with which committee Members fully concur.

The department should:

1. update its arts and crafts inventory records, verify the existence of artifacts and assess the condition of each item; and,
2. ensure that staff are aware of existing inventories so that they may use them if appropriate for their program needs.

The auditors also recommended that:

The department should develop a policy covering any future purchases of arts and crafts.

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Committee Members believe that this recommendation should read as follows:

The Department must develop a policy covering any future purchases of arts and crafts.

Visitors' Centres

The Department has spent about \$10 million building visitors' centres. Committee Members have serious concerns about visitors' centres based mainly on the "cost per visitor" analysis presented by the auditor on page 53 of his report.

The auditors calculated the cost per non-NWT visitor by dividing the estimated annual cost of operation by the number of visitors per year. The cost per non-NWT visitor, as calculated by the auditors, ranges from \$12 in Dawson City and \$13 at the 60th parallel to \$463 in Baker Lake and \$688 in Rankin Inlet.

Some of the other problems identified include the following:

- The Department has built visitors' centres in areas where current or likely future visitation appears low.
- The Department advertises these visitors' centres poorly.
- Some are off the beaten track for typical tourists.
- Existing tourist centres do little to address the concerns noted by the department's 1989 study.
- The location of some visitors' centres is questionable. For example, the centre in Baker Lake is at the end of most canoe trips down the Thelon and Kazan rivers even though the 1989 study indicated that the first impressions of visitors are more significant in influencing tourist choices.
- Because some visitors' centres have few visitors, the main benefit may be the local employment opportunities created during construction and subsequent operation.
- Benefits cited for some visitors' centres include interpretative displays for local residents. Although this may be a valuable benefit to local residents it is certainly not in keeping with the stated purpose for visitors' centres.

Given all the questions about the cost-effectiveness of visitors' centres, committee Members believe that expenditure of capital funds on visitors' centres should be reviewed.

#### Recommendation 15

The Standing Committee on Public Accounts recommends that the Department of Economic Development and Tourism assess the effectiveness of visitors' centres, explore alternative uses and

develop a strategy to guide future development and modification to existing facilities and programs. Further, the committee recommends that this strategy be implemented before any additional capital funding is requested for visitors' centres.

#### Reinventing Financial Assistance Delivery

The 1993 audit report on the Department of Economic Development and Tourism, NWT Development Corporation, and NWT Business Credit Corporation concludes its report with a section entitled "Reinventing Financial Assistance Delivery." Committee Members feel that this section of the auditor's report serves as a good summary for the Standing Committee on Public Accounts review.

A broad question is whether there should be four separate economic assistance programs or would it make more sense to consolidate some programs. This could improve efficiency, save money and increase effective service to the public. Presently, EDOs are less likely to steer clients towards BCC because of the perception of cumbersome paperwork, expensive client legal costs and a pervasive belief that BCC is acting like a bank with strict terms and conditions. BCC is caught between conflicting demands which force it towards fiscal conservatism. Because BCC is a lender of last resort, and because it is tasked with the two competing objectives, it may not be as flexible in stimulating the economy as intended.

Merging BDF and BCC would be relatively easy, both because their administrations are now highly integrated, and their programs are actually quite similar. The biggest difference between the two is repayment terms and related security.

A combined program could issue repayable contributions with less expensive compliance for clients. The government's investment can still be preserved by careful rewriting of the rules, and the terms and conditions can be simplified making them easier for the clients to understand.

Repayable contributions also offer more flexibility than loans. For example, a new business may need a repayment-free period to allow it to get started, and the agreement can be tailored towards this, giving managers and their clients more flexibility. The Economic Strategy had the objective of creating a new loan program to give flexibility in repayments.

To go along with any program changes, ED&T will need a cost-effective monitoring system to ensure that clients pay back assistance at the appropriate time, such as that in place now for BCC loans.

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The auditor concludes his report with the following summary recommendation. Committee Members feel that this recommendation summarizes very well actions that the department should take.

The department should:

1. Review all programs to assess their effectiveness, on a cost-effective basis;
2. Define clearly what it means by economic development, and conversely what funding is not permissible;
3. Consider developing a less complex program of repayable contributions, with conditions tailored towards economic development objectives;
4. Develop appropriate systems to track contributions made and allow for accurate management of receivables; and,
5. Develop appropriate accountability systems emphasizing desired results, to cover all staff.

Motion To Receive Committee Report 16-12(6) And Move To Committee Of The Whole, Carried

**MR. ZOE:**

Thank you, Madam Speaker. Madam Speaker, that concludes the report of the Standing Committee on Public Accounts. Therefore I move, seconded by the honourable Member for Kitikmeot, that the report of the Standing Committee on Public Accounts on the public review of the 1993 audit of the Department of Economic Development and Tourism, NWT Development Corporation and the Northwest Territories Business Credit Corporation be received and moved into committee of the whole.

**MADAM SPEAKER:**

Thank you. I am sorry, we don't have a quorum. Mr. Clerk, could you ring the bells?

Your motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

Question is being called. All those in favour? All those opposed? The motion is carried.

---Carried

Item 11, reports of standing and special committees. The honourable Member for North Slave, Mr. Zoe.

**MR. ZOE:**

Madam Speaker, I seek unanimous consent to waive rule 93(4) and have the report of the Standing Committee on Public Accounts that I just presented, placed on the order paper for committee of the whole.

**MADAM SPEAKER:**

Thank you. The honourable Member is seeking unanimous consent to waive the rules to allow the report of the Standing Committee on Public Accounts to be placed on the order paper for committee of the whole today. Are there any nays? There are no nays. The report of Standing Committee on Public Accounts will be on the order paper for committee of the whole today.

Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. The honourable Member for Deh Cho, Mr. Gargan.

ITEM 12: REPORTS OF COMMITTEES ON THE REVIEW OF BILLS

Report On Bill 16

**MR. GARGAN:**

Madam Speaker, I wish to report to the Assembly that the Standing Committee on Legislation has reviewed Bill 16, An Act to Amend the Legislative Assembly and Executive Council Act, No. 2 and wishes to report that Bill 16 is now ready for committee of the whole as amended and reprinted. Madam Speaker, I request unanimous consent to waive rule 70(5) to allow Bill 16 to be placed into committee of the whole today.

**MADAM SPEAKER:**

Thank you. The honourable Member is seeking unanimous consent to waive rule 70(5) to place Bill 16 in committee of the whole. Are there any nays?

There are no nays. Bill 16 will be placed on the order paper for committee of the whole for today.

Item 12, reports of standing and special committees.  
Item 13, tabling of documents. The honourable Member for Nahendeh, Mr. Antoine.

#### ITEM 13: TABLING OF DOCUMENTS

##### **MR. ANTOINE:**

Mahsi, Madam Speaker. I am tabling three letters with regard to the Payroll Tax Act. Tabled Document 55-12(6) is a letter dated October 19, 1994 to Bill Erasmus from Mr. Pollard. Tabled Document 56-12(6) is a letter dated September 16, 1994 from John Pollard to the Dene Nation. Tabled Document 57-12(6) is a letter dated July 28th to Mr. Pollard from Mr. Ron Irwin. Thank you.

##### **MADAM SPEAKER:**

Thank you. Item 13, tabling of documents. The House will take a short recess.

---SHORT RECESS

##### **MADAM SPEAKER:**

Item 14, notices of motion. The honourable Member for Kitikmeot, Mr. Ng.

#### ITEM 14: NOTICES OF MOTIONS

Motion 14-12(6): Government Of Canada Disposal Of Federally Owned Airports And Flight Support Services

##### **MR. NG:**

Thank you, Madam Speaker. I give notice that on Wednesday, November 9th, I will move the following motion.

I move, seconded by the honourable Member for Nahendeh, that this Legislative Assembly urges the federal Minister of Transport, the Honourable Doug Young, to revisit and reconsider the reduction of air support services to the NWT by establishing an exception for not phasing out flight service specialist positions in the NWT or by establishing the community aerodrome radio station in communities designated for closure of flight services stations. Thank you.

##### **MADAM SPEAKER:**

Thank you. Item 14, notices of motions.

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The honourable Member for Inuvik, Mr. Koe.

Motion 15-12(6): Amendment To The Terms Of Reference Of The Standing Committee On Agencies, Boards And Commissions

##### **MR. KOE:**

Madam Speaker, I give notice that on Wednesday, November 9th, I will move the following motion.

I move, seconded by the honourable Member for Yellowknife Centre, that the terms of reference of the Standing Committee on Agencies, Boards and Commissions be amended by adding the following as item (d) under the heading "Standing Committee on Agencies, Boards and Commissions may, on its own authority:

(d)review the annual reports and any other reports of the Languages Commissioner of the Northwest Territories, which shall be considered automatically referred to the Standing Committee on Agencies, Boards and Commissions after tabling in the Legislative Assembly. Notwithstanding this formal process, the Speaker is authorized to provide these documents to the Standing Committee on Agencies, Boards and Commissions in advance of tabling to expedite the review by the committee. For further certainty, this review, in advance of tabling, may include public hearings and all other authorized activities of the standing committee. Mahsi.

##### **MADAM SPEAKER:**

Thank you. Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. The honourable Member for Deh Cho, Mr. Gargan.

#### ITEM 16: MOTIONS

Motion 13-12(6): Amended Terms Of Reference For The Advisory Committee On Social Housing

##### **MR. GARGAN:**

Thank you, Madam Speaker.

WHEREAS, the terms of reference for the Advisory Committee on Social Housing were adopted on March 11, 1993 and amended on February 25, 1994;

AND WHEREAS, the Advisory Committee on Social Housing reported to the Assembly on October 27, 1994 that further amendments were required to the terms of reference in the areas regarding the name of the committee, committee chairmanship, committee responsibilities and reporting relationships;

NOW THEREFORE I MOVE, seconded by the honourable Member for Inuvik, that the name of the Advisory Committee on Social Housing be changed to the Special Committee on Housing;

FURTHER, that notwithstanding rule 88(2), the membership of the Special Committee on Housing shall consist of:

- three permanent Members from the east;
- three permanent Members from the west;
- the Minister responsible for the Northwest Territories Housing Corporation; and,
- two alternate Members, one from the east and one from the west;

AND FURTHERMORE, that the following be adopted as the terms of reference for the Special Committee on Housing:

The Special Committee on Housing shall:

- a) inquire into such housing matters as may be referred to it by the Legislative Assembly;
- b) review and recommend on major new or revised policies or programs proposed by the Northwest Territories Housing Corporation;
- c) review and recommend on major issues arising from existing policies and programs of the Northwest Territories Housing Corporation;
- d) review and recommend on major housing issues arising from community consultation undertaken by the Northwest Territories Housing Corporation with members of the public, local housing organizations, community governments and interest groups;

AND FURTHERMORE, that the Special Committee on Housing may, on its own authority,

- e) provide advice to the Minister responsible for the Northwest Territories Housing Corporation;

AND FURTHERMORE the Special Committee on Housing shall:

- 1) conduct its business in a manner approved by the Legislative Assembly;
- 2) elect one of its Members to serve as chairperson;
- 3) elect one of its Members to serve as deputy chairperson;
- 4) establish its quorum to consist of four Members;
- 5) be provided with the necessary funds for the special committee to carry out its responsibilities from the appropriations of the Legislative Assembly;
- 6) have the authority to sit during sessions, adjournments and recesses of the House;
- 7) undertake such travel as a whole or by individual Members as required and approved by the committee to carry out the assigned responsibilities of the committee;
- 8) make regular reports to the Legislative Assembly;
- 9) report to the Legislative Assembly on any advice provided to the Minister responsible for the Northwest Territories Housing Corporation; and,
- 10) be provided with the necessary administrative support by the Northwest Territories Housing Corporation and the office of the Legislative Assembly.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

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

---Carried

Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. The honourable Member for Hay River, Mr. Pollard.

ITEM 18: SECOND READING OF BILLS

Bill 19: Supplementary Appropriation Act, No. 1, 1994-95

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Madam Speaker, I move, seconded by the honourable Member for Kivallivik, that Bill 19, Supplementary Appropriation Act, No. 1, 1994-95, be read for the second time. Madam Speaker, this bill makes supplementary appropriations for the Government of the Northwest Territories for the fiscal year ending March 31, 1995. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the principle of the bill.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

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

---Carried

Bill 19 has had second reading and, accordingly, the bill stands referred to committee of the whole. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters: Tabled Document 14-12(6), "Open for Business" - Privatizing the Northwest Territories Power Corporation; Tabled Document 23-12(6), Report of the 1993-94 Electoral District Boundaries Commission Northwest Territories; Tabled Document 36-12(6), "Action Plan - Consolidation - Health and Social Services"; Minister's Statement 11-12(6), Return to Session; Committee Report 10-12(6), Report on the Review of the 1995-96 Capital Estimates; Bill 1, Appropriation Act, No. 1, 1995-96; Bill 18, Supplementary Appropriation Act, No. 4, 1993-94; Committee Report 16-12(6), "Toward An Economic Development Strategy", Report on Public Review of 1993 Audit of the Department of Economic Development and Tourism, NWT Development Corporation and NWT Business Credit Corporation; Bill 16, An Act to Amend the Legislative Assembly and Executive Council Act, No. 2; and, Bill 19, Supplementary Appropriation Act, No. 1, 1994-95, with Mr. Whitford in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

**CHAIRMAN (Mr. Whitford):**

The committee will now come to order. What is the wish of the committee? The chair recognizes the Member for Yellowknife Frame Lake.

**MR. DENT:**

Thank you, Mr. Chairman. I would like to recommend that the committee consider Committee Report 10-12(6) and Bill 1, specifically the budget of Renewable Resources, followed by Bill 16-12(6), then Tabled Document 23-12(6), and then get started on Bill 18-12(6).

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Dent. Does the committee agree?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Bill 1: Appropriation Act, No. 1, 1995-96

Committee Report 10-12(6): Report on the Review of the 1995-96 Capital Estimates

Department Of Renewable Resources

**CHAIRMAN (Mr. Whitford):**

When we concluded on Friday, the Minister had concluded his opening remarks and we were preparing for general comments. Does the Minister wish to bring in some witnesses to assist him in this matter? Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Mr. Chairman, I would like to have the concurrence of the committee to bring in the officials of the department.

**CHAIRMAN (Mr. Whitford):**

Does the committee agree?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

**CHAIRMAN (Mr. Whitford):**

We have agreement. Sergeant-at-Arms, assist the Minister.

Mr. Minister, would you be so kind as to introduce your witnesses to the committee?

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. To my left is the deputy minister, Mr. Joe Handley, and to my right is our director of finance, Mr. Rick Feil.

**CHAIRMAN (Mr. Whitford):**

Welcome Mr. Handley and Mr. Feil. We were on the detail of capital in the blue book. We were just getting into general comments. Any general comments on Renewable Resources? The honourable Member for Aivilik, Mr. Arvaluk.

General Comments

**MR. ARVALUK:**

Thank you, Mr. Chairman. I just have a very short general comment right now, but later on I will ask some questions about the capital budget.

Commercial harvesting of caribou in Coral Harbour was rather surprisingly successful last fall and winter. I hear there were some plans to upgrade the commercial harvesting program in that community for two reasons. One is that the caribou on Southampton Island are disease-free and they are very much desired, since there are no predators on the island such as wolves, and the caribou are very contented and fat. That is desired by present consumers of the Northwest Territories. The bigger scale would be initiated in that area.

The second reason, Mr. Chairman, is there is a danger shown by the scientific review of the numbers of the caribou there. The population there has grown to an unmanageable population unless drastic measures are taken. One of the answers is for commercial harvesting because the population of Coral Harbour cannot be controlled through subsistence hunting.

However, I have been told by some reliable sources that commercial hunting this fall has been cancelled. I was

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surprised by that. Secondly, there was talk last year that maybe a processing plant would be cheaper in the long run if it was done in Coral Harbour, rather than having one in Rankin Inlet. Of course, I will not make further comments until I have some questions to put to the Minister, respecting programs in that area. Qujannamiik.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. The chair recognizes the Member for Kitikmeot, Mr. Ng.

**MR. NG:**

Thank you, Mr. Chairman. A few weeks ago, I asked the Minister a question regarding the policy for community freezers. Since then, he has clarified that his department is undertaking a review of the existing community freezers throughout the NWT. What is the timetable for the completion of the review and are they planning to address some of the needs through their capital estimates? That is, the communities that require community freezers where they haven't been established and the communities that require major upgrading of their existing community freezers which aren't in good operational condition. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Ng. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. To the Member's question, I made a response to a request made by Mr. Gargan on travels of the individual who is making the assessments of community freezers. I don't have the specifics of his travel right now, but I believe he will be into every region and every community that has community freezers. His travels should be completed by the end of the fiscal year. I could find out exactly when this individual might be in honourable Member's region, if that is the wish of the Member. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Arngna'naaq.

**MR. NG:**

Thank you, Mr. Chairman. I appreciate the fact that he is sending the individual around to communities,



but I have a concern that there are some communities that have freezers and there are others that don't. In particular, I had mentioned that there are two unorganized communities in my constituency that don't have any power. So I would like to think that recognizing that, they might have a priority over communities which have power. In the community of Cambridge Bay, they used to have a community freezer, but it is no longer used because individuals store their own meat in their own deep freezers because it is just the way things have evolved. So community freezers aren't really wanted in all communities, but they certainly are in some. During this assessment, will that come out in discussions with community representatives? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Ng. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I believe the individual going to the communities will be finding out from the communities about the efficiency of their particular freezer and if there is any way to save any costs to those freezers. With the information that is received by the report made by Mr. Mike Stevens, we will be looking at alternative ways of making use of freezers or the power that is used for freezers. Any way that we are able to save money in the use of these freezers will be looked at. At this point, we are holding back until Mr. Stevens has made his travel. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Ng.

**MR. NG:**

Thank you, Mr. Chairman. Is the individual going to be consulting in communities without existing community freezers? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Ng. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Mr. Chairman, I believe that where communities have asked for freezers, this individual will consult with those communities.

**CHAIRMAN (Mr. Whitford):**

Thank you. Mr. Ng.

**MR. NG:**

Thank you, Mr. Chairman. Is the Minister's department responsible for the establishment of community freezers? I noticed that currently, in this capital estimate and in last year's there weren't any, but in prior years, there was some government agency involved in establishing community freezers. Is his department now responsible and if it isn't, do they plan on renewing their responsibility for establishing and maintaining some of these community freezers? How will they address this issue? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Ng. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I don't think that it is the responsibility of the department to build or initiate freezers. Rather, it is the department's responsibility to assess freezers and the best use of freezers once they are in the communities. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Member for Kitikmeot, Mr. Ng.

**MR. NG:**

Thank you, Mr. Chairman. I would like to ask the Minister if he could clarify that then. If he is saying he isn't responsible for establishing community freezers, where do communities go to acquire these facilities? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Ng. Mr. Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I don't know, at this particular time. The Department of Renewable Resources had agreed to make an assessment of community freezers and was given that responsibility by Cabinet. At this time, I don't know that there is a department that is responsible for initiating community freezers. We are able to submit it to Cabinet and they would make the final decision. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arngna'naaq. General comments. Mr. Arvaluk.

**MR. ARVALUK:**

(Translation) Thank you, Mr. Chairman. I was going to ask a question when we were in clause by clause, but I am going to ask the question during general comments. For the sale of caribou, there were about 300 caribou that were going to be sold. This was a request. Last

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year, Coral Harbour was told that money wasn't put aside for that. I want to ask a question with respect to the money that was going to be put aside for that purpose. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

(Translation) Thank you, Mr. Chairman. With respect to Mr. Arvaluk's question about the caribou that are going to be harvested, the Department of Renewable Resources is taking care of this right now. Right now, we're in the process of working with the community of Coral Harbour to set up an agreement. We're not trying to stop this, but we are working on it further so that we can have this for next year.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arngna'naaq. The honourable Member for Kivallivik, Mr. Arvaluk.

**MR. ARVALUK:**

Thank you, Mr. Chairman. I'm the Member for Aivilik. (Translation) Can the Minister tell me why they can't finish this agreement?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. My apologies. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

(Translation) They can't set up an agreement because right now the amount they would have to put aside for this project is too high. This is why the

process is slow. The federal government is saying that the amount being set for this project is too high.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arngna'naaq. The honourable Member for Aivilik.

**MR. ARVALUK:**

(Translation) Thank you, Mr. Chairman. So, how many caribou were they planning to gather? What was the agreed-to quota of animals that were going to be harvested? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. Mr. Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

(Translation) Thank you, Mr. Chairman. We would probably go with the harvesting of 4,000 caribou. This year, there would be between 1,000 and 1,500 harvested in Coral Harbour.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Arvaluk.

**MR. ARVALUK:**

(Translation) Thank you, Mr. Chairman. As long as the hunters of Coral Harbour don't harvest between 6,000 and 8,000 caribou, why is Economic Development or the NWT Development Corporation having a hard time setting up an agreement? What is the disagreement here when they are trying to deal with funds for this project?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

(Translation) They have clarified to Renewable Resources that, of the caribou that would be harvested, the Inuit would get 1,000. With the project, it would go up to 4,000. Together, if you combined it, there would be 5,000 caribou harvested. But, the thing is, they can't agree with the Development Corporation and Renewable Resources. The Development Corporation says they would be able to pay \$1.25 per pound, but with the agreement, the people are asking for more than that amount. So, that is what the disagreement is about. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. I will just remind Members that we're dealing with the capital budget and we're on general comments. The chair recognizes Mr. Arvaluk.

**MR. ARVALUK:**

Thank you, Mr. Chairman. These questions are not meant to be a preamble, but I wanted to get to the crunch of the matter with the capital estimates. It is neglected here. Was \$1.25 arrived at after studying other markets, such as overseas or southern markets? Is it possible to have a federal inspector on site in Coral Harbour so that these can be commercially marketed and sold in the southern market? Is \$1.25 a firm amount, of which we can't go beyond to make a profitable investment for the Development Corporation?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arvaluk. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I think the area in which the Department of Renewable Resources and the NWT Development Corporation are not able to meet is where the NWT Development Corporation has offered \$1.25 per pound. The cost to harvesters is greater than the \$1.25 the NWT Development Corporation is willing to offer. That is where the disagreement is. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. General comments. The honourable Member for North Slave, Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Chairman. With regard to capital, I wanted to ask general questions pertaining to emergency shelters for trappers and hunters. I wonder if the department has been considering developing a program similar to the ones that Department of Economic Development and Tourism has. When they build a park, they also build emergency shelters for tourists and so forth.

When we were in the new park built on Baffin Island, they had emergency shelters in various locations. I wonder if the department has considered building these kinds of emergency shelters for trappers. Are

they anticipating that they will incorporate this type of program in their capital plans? Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I think that emergency shelters are a very good idea. However, as a department, in previous years we haven't been mandated to provide emergency shelters. Other departments have been able to come up with funds to do so.

At the present time, we don't have, within our budget, funds to provide emergency shelters. Perhaps at a later time we would be willing to consider it. But at the present time, we don't have

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the funds to be able to provide emergency shelters. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Minister Arngna'naaq. Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Chairman. I note that there is nothing in the capital plan right now. My question was more in general terms, Mr. Chairman. Has the department considered looking into emergency shelters and have they done any studies pertaining to this so that we know the costs? If it is going to be too costly, then I can see that the department won't go ahead with it. But until we find out all these details, I am strongly encouraging the department to look seriously at this issue and come back to the House and make its findings known to the House.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Mr. Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. We haven't done any kind of research up to this point. But we are willing to take a look and find an estimate as to what it would cost to build emergency shelters. However, I would like to add that the hunters' and trappers' associations are given a contribution by the Department of Renewable

Resources, in which each hunter or trapper could receive, from their HTA, a contribution towards building their own emergency shelters, if they so wish. We, as a department, haven't yet taken a look at providing emergency shelters, but we are willing to look into it. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arngna'naaq. General comments. Mr. Zoe.

**MR. ZOE:**

Just one more, if I may, Mr. Chairman. I don't see it here in the capital budget, but a few years ago the tanker base issue was raised. I believe it is supposed to be built in Fort Smith. It may be an O and M related project, but it is still a building. It is a capital issue, but I think it is funded out of O and M. They are trying to make a deal with a local contractor to build this facility for us. To date, I haven't seen any facility being built in Fort Smith. Can the Minister update our committee on what is happening with that facility?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. The negotiations that are going on are being negotiated on behalf of the government by the Department of Public Works. At the present time, it is the intention of the department to continue on the options that the department has on its contract with the various organizations that they have for equipment that they use for forest fires. It is the Department of Public Works who is the leading department in the negotiations. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you. The chair continues to recognize the Member for North Slave, Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, I realize that the Department of Public Works is the lead department carrying out the negotiations on behalf of Renewable Resources. How soon do we anticipate the conclusion of these negotiations? My recollection is that it has been many years since we gave the approval for the tanker base to be in Fort Smith. It has been a few years

now. When do they anticipate the conclusion of this facility?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Zoe. Minister Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. With the negotiations having taken this amount of time, I would anticipate that negotiations will continue into 1995 and perhaps 1996. However, I would imagine 1995. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. The chair recognizes the Member for Deh Cho, Mr. Gargan.

**MR. GARGAN:**

Thank you, Mr. Chairman. Mr. Chairman, I have been looking at the allocation to the department, which is around \$2.5 million. If you compare it to other departments, it is very little. I don't know whether or not this government is really serious about its commitment to aboriginal people, even to the environment. I am not saying this because I was told to say it. I am saying it because it is obvious that where we should be concentrating a lot of our energy and money has nothing there.

Mr. Zoe brought up the issue of emergency shelters. It seems that they are putting it on hold. Even for the operations this coming summer with regard to firefighting, we need more towers. Because you spent about \$20 million on extra, I would presume a lot of it went to aircraft. Maybe we should look at putting more money towards fire towers as opposed to using the amount of aircraft that we do.

There are many ways that we can address the issue of firefighting without the government spending that much money. It is the small things that count with regard to that area.

There are also fire bases that need to be addressed. I thought maybe there might be something with regard to a fire base for Kakisa. I haven't seen it in the plan. Are there any plans? There are crews in Kakisa established now.

The other thing is as part of the capital plan in Fort Providence, one of the recommendations, Mr. Chairman, is to have the fire suppression operation

site relocated. It was part of the plan at one time. Even that is being killed.

With regard to equipment, as a result of fires this summer or even as a result of people going through the ice. What are we doing with regard to the replacement of equipment? I don't know whether or not the government has anything to offer those people who actually lose equipment. We used to have programs called special ARDA that used to assist hunters and trappers to obtain equipment to pursue a way of life. As far as I see in this budget, there is absolutely nothing here to help people who want to get back out on the land. In fact, it is really quite discouraging, the amount of money allocated to this department. The government should be making it a priority to have such things to assist aboriginal people. I think this is an area that needs this kind of attention.

With regard to environmental protection, I don't know what they

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have, but I would presume that since there have just been two major oil contamination accidents in Russia, the department should be taking a second look at what is up here and if there should be more addressed with regard to the environment; the study of animal habitats and so on.

At one point, I thought there was supposed to be an amalgamation of parks with the Renewable Resource department. What happened to that? Did Economic

Development decide that because there is good money there, they would keep it?

---Laughter

I don't know what happened there, but I'm very interested in finding out, Mr. Chairman, from the Minister why it is that we have so little in the department. We should be offering more money for communities and incentives for hunters and trappers. The Minister made a statement on fur pricing and the sealing industry a while ago. And, yet, I don't see anything here that indicates how he intends to address those areas.

I appreciate we are going to guarantee fur prices for harvesters, but I don't really see how you encouraged aboriginal people, even the Inuit, to go back out on the land. You don't really have the tools to do that. I was leaning towards the Kakisa issue, but...

---Laughter

I really think, Mr. Chairman, that this department is really short-changed and I think it trickles down to the communities and the aboriginal people are going to be the biggest losers in this whole money grabbing game, or digging from the trough, as it is called. I would like to ask the Minister if he has any comments. I don't think there is enough money and I don't think there is anything going to Kakisa, either. Probably now that you only have \$2.5 million, Kakisa has been dropped to the bottom of the list and you are concentrating more on renovations and improving the life of existing facilities, as opposed to new initiatives.

I am concerned. Fire towers are another issue. At one point, about three years ago, Mr. Chairman, there was a meeting in Fort Simpson. Robert McLeod and his organization were there to talk about fire operations, issues and concerns. Herb Norwegian was there, and I believe Jim Antoine was there too, and we talked about having fire towers to help prevent fires. We talked about placing towers further north on Sibbeston Mountain, Redknife Mountain and those areas, so they have the necessary prevention measures to address fire.

Mr. Chairman, I have even greater concerns for the communities and the individuals but the dollars are not here to address those. So, I will just leave it at that. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Gargan. General comments. The honourable Member for Nahendeh, Mr. Antoine.

**AN HON. MEMBER:**

(Microphone turned off)

**CHAIRMAN (Mr. Whitford):**

I thought Mr. Gargan was just making comments. However, Mr. Minister, your reply.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I think there was a question in there and I appreciate the concern that Mr. Gargan has for our department and the limited dollars we have submitted to the House on behalf of the department. However, I think our department has been very successful in devolving our money to various communities through hunters' and trappers' associations.

As for the specific concerns raised by Mr. Gargan, there is disaster compensation available to hunters and trappers whose equipment has been destroyed by natural causes, such as floods and blizzards, and other such acts which are not under the individual's control. The compensation which is available to individuals is to a maximum of \$4,500, which is claimable through the Department of Renewable Resources.

As far as the environment is concerned, the department has 5 PYs in the department to deal with that area, but the responsibility of the department in the environment is limited to small concerns such as oil spills within a community and Commissioner's land. The majority of the responsibilities for environmental concerns still remain with the federal government. It is their responsibility to deal with any major difficulties we have in the environment.

The specific question of Mr. Gargan had to do with the capital item for Kakisa. I guess it had been requested, however, in Kakisa the fire fighters are a contract crew. That means they are not hired by the department. Our funds at the present time go to satellite bases, such as Drummond Lake and our fire towers, which are directly funded by the department. The money isn't necessarily for creating bases in communities. To do that would be the responsibility of the community, itself, if they have a contract with our department. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Arngna'naaq. Mr. Gargan.

**MR. GARGAN:**

(Microphone turned off)...the amalgamation of parks and Renewable Resources,

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Gargan. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I believe that that was still on hold. I would have to confirm that. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Gargan.

**MR. GARGAN:**

Mr. Chairman, I was under the impression last year, that a site was being developed under their plans for the establishment of a fire base in Kakisa. I think they have found two locations where that possibility exists. I don't know whether or not that was just for this summer that the hope was established that something would happen, but I was under the distinct impression that there was a movement in the area from the department that something was going to happen. Am I to understand now that nothing is going to happen?

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**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Gargan. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I don't know what the status is of anything that may have been committed on behalf of Kakisa. We can check that out for the Member and get back to the Minister in writing and make him aware of what the situation is. Thank you.

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Minister. Mr. Gargan.

**MR. GARGAN:**

Thank you, Mr. Chairman. Are there any dollars allocated for construction of fire towers or is that out of the question for this coming year?

**CHAIRMAN (Mr. Whitford):**

Thank you, Mr. Gargan. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Mr. Chairman, at the present time, I believe that we are looking at some renovations to some towers. But, again, I would like to point out that it is the intention of the department to make extensive consultation with various communities and regions about how the department and the government should be fighting fires. I hope that from the consultations that the department makes, we will be able to clearly explain to the Member, or anyone who may be concerned about forest fires, how we should be fighting them. I would imagine from the consultations, we will get direction from communities as to what locations would be good for fire towers to be built. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arngna'naaq. Mr. Gargan.

**MR. GARGAN:**

Thank you, Mr. Chairman. Mr. Chairman, I just finished telling the Minister that about three years ago, the Department of Renewable Resources had people going into communities talking with them with regard to the issue of firefighting. At the meeting in Fort Smith, we specifically identified the need to have fire towers established in about five areas. I have mentioned the Horne Plateau, Sibbeston Mountain, Redknife Mountain and there were others close to Wrigley that we were looking at to ensure that there is provision by having those towers there and less spent on aircraft. That was the encouragement we thought we had put across to the department. It seems to me, Mr. Chairman, that in the region of the western Arctic fire is a big issue. This year was pretty bad, but we don't see it. We don't even see it reflected in the budget.

I am also suggesting that as far as the priorities of the government: the land; environment; animals; and, the people that depend on them, it isn't a priority. I appreciate the Minister suggesting that they are going to be going out and consulting again, but we have already done that once. Most of the older generation who fought fires before say that it is not a question about when you go out. They say if there is a fire, you go out now and solve your problems right there.

Most of the time what happens now is there is so much red tape and bureaucracy that you can't even determine whose jurisdiction fires are in. I know because I was in Lutsel K'e this summer and there were problems between who should be fighting the fire about 20 miles from Lutsel K'e. Yellowknife said it is their fire. It is this business of mine and yours that causes everything to get out of control.

I really have a concern here, Mr. Chairman, and I am expressing it. I don't know how much stronger I should be expressing it to make the government see that this is not a small issue. There just isn't enough money there to address what should be a priority of this government.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Gargan. I don't know if there were questions. Do you want to respond, Mr. Minister?

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I have to agree with Mr. Gargan that it is something that the department has to take a very close look at. When a department of the government has to spend millions of dollars on incremental funds, it has to be something we have to look at very seriously. For a number of years, the department has looked at how we can fight fires in a better way. The consultations that were made previously were on how the department presently operates. I have committed to taking a look at exactly how we should be improving.

I have indicated that I would like to attend some of these community meetings and be sure that elders are contacted to give their opinion. It seems that every time we turn around there is an opinion that comes from someone who says how we should be fighting fires. Perhaps some solutions to our problems in fighting forest fires should be coming from elders. The varied opinions go as far as we should let everything burn because it is natural. It is an act of God and something that will help nature create new growth. The other side says we should be fighting every single little fire that happens. So we have a very wide range of opinions.

We hear from every possible person who may be concerned about forest fires. It is my intention to hear from elders as well. In fact, the department will be contacting the Dene Cultural Institute to consult with elders in various communities in the western Arctic to try to find ways to resolve problems we have in forest fire management. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arngna'naaq. Mr. Gargan.

**MR. GARGAN:**

It is funny the Minister should mention the whole business of an act of God. This year we hardly had any rain, Mr. Chairman. We hardly had any thunderstorms. I am not saying those fires were started deliberately, but I certainly don't have any other conclusions. Mr. Chairman, could the Minister give me the details on the allocations going to hunters and trappers in each community and the amount that is capital. The Minister did say there were dollars there for compensation and assistance.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Gargan. We are on general comments, but if the Minister has that kind of detail, he can respond.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. We don't have the details on the request made by Mr. Gargan, but we are willing to provide it for him. Thank you.

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**CHAIRMAN (Mr. Lewis):**

Thank you. Mr. Antoine.

**MR. ANTOINE:**

Thank you, Mr. Chairman. I just have a few general comments on the Department of Renewable Resources. What my colleague Mr. Gargan is talking about with regard to using fire towers rather than covering the cost of helicopters was a subject raised a number of years ago during a study that the department was doing when they were looking at how to better fight fires. We were questioning the department about it for the last two years. Then all of a sudden, we didn't hear about it any more. Maybe the study was used to bring up the costs of fire operations last summer, I don't know. One of the recommendations we made at that time was to cut the cost of fire operations by putting in more fire towers.

The thinking behind it was if you do some capital projects and hire local people to man these towers, perhaps we don't need to pay \$500 an hour for a helicopter to fly around looking for fires. That was the thinking behind it. That is just one example of the type of suggestions communities were making, in an earnest effort to have input into a better way of dealing with fighting fires in the north.

As we all know, the cost of fighting fires this past summer was over \$20 million and that is quite a big amount of money that, along with that and others, is causing this government to go into a deficit. This is a very serious matter. Whatever happened to that study? Who did the study and what happened to it? Have any of the recommendations ever been incorporated into the way the fires are fought or are they still studying? The Minister is now saying they are going to do another study. You really have to step back and look at the whole operation of firefighting because we have been studying it every year and it is a never ending study. Communities have input into it and that is the last you hear about it.

The next thing you know, we have another fire season and every year the cost has escalated.

Looking at this capital budget, I agree that there isn't much in there, but there is something. The majority of the projects we have for this year are the building of bases for firefighting where the crews could have camps and so forth. There is very little for the other parts of the department; environmental protection and trappers. I think the majority of this capital budget is for fighting fires.

There is another area I want to cover and that is with regard to trees. It may be an O and M project. This past weekend I drove to Fort Simpson and along the way I ran into some men who were cutting some firewood. They have a small business. This man had a two-ton flatbed truck and he had three men working with him. He told me that they make money and put food on the table for their family. It isn't much. It is a small operation, but this is what they have to do. Community corporations and other companies don't have work for them and it is too early to trap, so they have to do something else. This is how they make income. They were cutting wood in a burnt area. These are trees that are going to fall down anyway. They were telling me that because they were going to sell wood, they have to pay this fee for cutting down the trees. I think it was quite a bit of money for a small operation. They had to pay the fee before they could cut the trees.

Why do people have to pay for cutting down trees that are burnt and are going to fall down and rot anyway? They are more or less cleaning the country for other growth that has already begun. There is really no need for reforestation in that area. It is naturally taking care of itself. You can't tell me the cost of cutting the trees is reforestation. Why do people have to pay these fees? Is there another way of dealing with it where small operations like that pay the fees after they cut and sell the trees? They don't have money before they start cutting, unless they are a big operator. But the type of people I am talking about are not big operators. I may have other questions to ask after that.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Antoine. There are several questions for you there, Mr. Minister, if you would like to respond.

**HON. SILAS ARNGNA'NAAQ:**



Thank you, Mr. Chairman. With regard to the comments on fire towers and fire prevention, the department could be building and adding more towers to the forested areas. We could be building more satellite bases and doing more fire prevention, which I believe in the long run, will save money for the department and the government on firefighting. However, with the limited resources we have been given, we are not able to keep up with the suggestions that are being made.

The study that was done on behalf of the department on ways to improve fire fighting in the Northwest Territories was done by Peat Marwick Stevenson and Kellogg. They did a massive study on firefighting. It consisted of 11 studies on firefighting. I believe they tried to cover all aspects and how we could reduce costs. I believe part of their recommendations were to increase the number of towers and to increase fire prevention programs, but, as a government, we are limited by the funds that are available. We are not able to carry out everything we would like to be doing.

As far as the wood cutting is concerned, there is a fee of \$1.50 per cord and this fee is to cover some of the costs incurred by the department in forest management, areas where small roads will have to be made to reach certain areas of the forest. These costs are charged to wood cutters or loggers to offset some of the costs that we, as a department, incur in forest management. Again, we are reviewing the process and the fees as they are outlined in our Forest Management Act but if there are specific concerns that the Member has, we certainly will take into account his comments while undertaking this review.

Mr. Chairman, I forgot to mention that the fire management study that I spoke of has, I believe, been provided to the Standing Committee on Finance. I believe that was done just over the weekend. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arngha'naaq. Mr. Antoine.

**MR. ANTOINE:**

Thank you. Getting back to the budget, in Renewable Resources there are programs where reforestation of areas of logging activity is occurring. There are plans to do more logging and to set up more sawmills in the north where there are forests. The trees that are

planted there are trees that are grown in the south. I don't know what kind of species they

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are. Perhaps these are trees from the south. I don't know whether this department is looking at perhaps encouraging companies up here to do tree farming, where there are greenhouses to start these trees. Perhaps it might be good to do that up here. Something of that size should be reflected in the budget.

The other comment I would like to make is that a couple of years ago when these trees were brought up from the south and distributed, the excess was distributed to school kids. In my community, I noticed that there was larvae in the trees. In my area, we have a lot of bud worms and it never used to be like that before. I was wondering if the trees that are grown in the south and brought up here have worms and bugs in them that are infecting our trees up here. That is another reason why I think we should start our own industry up here, growing our own trees, rather than buying these small trees from the south. This is one of the things I would like to see in the Renewable Resource budget.

A number of us have been raising our voices here about the fur industry. We want to get into the fur industry in a big way. We are faced with a world-wide movement to ban furs, and they gave us a one-year extension, but that one year is going to be used up fairly quickly. We don't know what the future is like and we still have a lot of trappers up here. I said that I recognized the furs caught by our trappers are top quality furs, exclusive furs, and that we should be doing something to promote that. The way to promote that is to, perhaps, look at fixing the furs up here ourselves and even auctioning them up here.

In order to do that, you would probably have to build a facility of some sort up here to do that, and invite people who buy furs up here, rather than sending our furs down to auctions down south and losing total control of prices for our fur. Maybe the department is looking at that, but that is one thing that should be in our budget. That is something we should be dealing with and considering in the budget of this department. It may cost some money upfront, but in the long run, I think it will pay off and it will mark the beginning of a good fur industry in the north.

These are some questions the Minister can answer, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Antoine. Mr. Arnngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. As far as forest management, I think that Mr. Antoine has a good idea in terms of nurseries for trees in the north. What is happening at the present time is there are seeds taken from the north in areas that we know are going to be harvested to nurseries in the south where they are grown to a certain length. Then, they are brought back into the same area in which the seeds came from. So, in effect, what is happening is we're growing trees at a much faster rate than if they had been nursed in the north.

Because the trees are grown in a nursery, they should not have any of the larvae that Mr. Antoine has indicated were seen. I don't know where the larvae would be coming from because the trees that are brought in from the south are from seeds that come from the north in the area in which they are to be planted. They should not have any kind of infestation. The Department of Renewable Resources, especially in the area of forest management, would be willing work with anyone who would like to try out a nursery somewhere in the north. We would be more than willing to work with anyone who will try this out.

As far as fur grading is concerned, the grading and cleaning which has been discussed by Mr. Antoine is a possibility. As we continue to progress, this is something that would be possible. At the present time, the department is working on getting a trainee to work with a fur grading centre and possibly return to the north and work on grading and cleaning in the north. However, to try to create an auction in the north would be somewhat more difficult. It would be difficult to attract the biggest buyers from around the world to come north. It might be something that might be considered at a later time.

At the present time, we, as a department, are looking into fur grading and the possibility of cleaning furs in the Northwest Territories. Exactly how that will look I'm not sure at the present time. The first step we are taking is hiring a trainee, someone willing and able to learn to grade and clean fur. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arnngna'naaq. Mr. Antoine, you have finished. Is there anyone else who would like to make general comments, statements or questions? Are you ready to go into detail with this department?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Wildlife Management

**CHAIRMAN (Mr. Lewis):**

Page 10-9, wildlife management. Equipment acquisition, headquarters, total region, \$96,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total equipment acquisition, \$96,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total activity, \$96,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Environmental Protection

**CHAIRMAN (Mr. Lewis):**

Page 10-11, environmental protection. Equipment acquisition, headquarters, total region, \$25,000.

**SOME HON. MEMBERS:**

Agreed.

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---Agreed

**CHAIRMAN (Mr. Lewis):**

Total equipment acquisition, \$25,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total activity, \$25,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Field Operations

**CHAIRMAN (Mr. Lewis):**

Field operations, building and works, Fort Smith, total region, \$80,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan, before I go on to Inuvik.

**MR. GARGAN:**

Mr. Chairman, I would like to ask the Minister whether or not he's aware of the name changes of some of these communities and why Lac La Martre wasn't changed to Wha Ti.

**CHAIRMAN (Mr. Lewis):**

Mr. Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. I believe we are going to blame this on the computer this time around and we promise to have it changed for next time.

**CHAIRMAN (Mr. Lewis):**

Mr. Arvaluk.

**MR. ARVALUK:**

Mr. Chairman, I will wait until I get to the Keewatin.

**CHAIRMAN (Mr. Lewis):**

Inuvik, total region, \$265,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Baffin, total region, \$90,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Mr. Pudluk.

**MR. PUDLUK:**

(Translation) Thank you, Mr. Chairman. I have comments on one community. I produced a letter about a week ago regarding the community freezer in Arctic Bay. I think today they don't have a community freezer because it has broken down. It was damaged by winds. If we were to fix the power, I think it would cost about \$68,000, but this is a very old freezer and the motor is very old. I think it is over 30 years old. Also, there isn't enough room, especially in the summer. They have to store char, caribou meat and muktuk and other meats that have to be frozen, especially during the summer.

It doesn't seem to be so bothersome right now, because we can freeze our own meat, but if the climate was different, a lot of country food would be damaged. The population is growing and it seems to me they should get a bigger freezer. Since it is very old, we know for sure it is going to break down often, even if they repair it. It is also too small. This is a grave concern today. In this Renewable Resource budget activity, there isn't anything written down to replace the very old community freezer. The freezer is very useful and I think most communities have them. It is very convenient to have such freezers in the communities.

If they would use their finances more effectively, they could use one of the mines' ships to take a lot of goods into communities. There are a lot of hunters in that community and it is by the means of subsistence harvesting that they try to make money. There is limited employment in Arctic Bay. This is the means by which they try to make money, by harvesting caribou, char and beluga whales.

Therefore, Mr. Chairman, I would like to make a motion.

**CHAIRMAN (Mr. Lewis):**

Go ahead, Mr. Pudluk.

Committee Motion 74-12(6): To Provide Funds To Arctic Bay For Community Freezer, Carried

**MR. PUDLUK:**

Thank you, Mr. Chairman. I move that the Department of Renewable Resources start providing funds in the fiscal year 1995-96 for the replacement of the community freezer in Arctic Bay.

**CHAIRMAN (Mr. Lewis):**

Thank you. Your motion is in order. To Mr. Pudluk's motion. Do Members have a copy of the motion? I will wait until it is distributed.

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**CHAIRMAN (Mr. Lewis):**

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

---Applause

Thank you, Mr. Pudluk. Total region, \$90,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Keewatin, total region, \$642,000. Mr. Arvaluk.

**MR. ARVALUK:**

Thank you, Mr. Chairman. I don't have the five-year capital plan with me. I am not sure if that would come from Economic Development and Tourism or Renewable Resources. They can't seem to work independently and they can't seem to work together. Is there a five-year capital plan or at least talks within two departments that the meat processing plant may be built in Coral Harbour to harvest 4,000

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animals for the purpose of marketing them? I hear that these 4,000 head could be consumed by two provinces very easily. I am very much interested in whether there are talks to have a more viable processing plant, not so much to make beef jerky, but more of a wholesale meat market, along with a tannery for the 4,000 hides. I think that would be very profitable for the government. Are there talks along those lines?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arvaluk. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. At the present time, there are discussions between the Department of Renewable Resources and the Department of Economic Development and Tourism about the possibility of a meat processing plant or other commercial areas that there may be opportunities for the residents of Coral Harbour. But it would not be the responsibility of the Department of Renewable Resources because it is a commercial facility and it would come under the Department of Economic Development and Tourism and not Renewable Resources.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arngna'naaq. Mr. Arvaluk.

**MR. ARVALUK:**

My specific question, Mr. Chairman, was is there a discussion between the Department of Economic Development and Renewable Resources to plan the feasibility of that facility?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arvaluk. Mr. Arngna'naaq.

**HON. SILAS ARNGNA'NAAQ:**

Yes, Mr. Chairman. There are discussions right now between the two departments. Thank you.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Minister. Keewatin, total region, \$642,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan.

**MR. GARGAN:**

To add to Mr. Arvaluk's comment regarding this whole business, what is the difference between allocating a capital project that is commercial and one that isn't commercial? Is there a difference that makes it an economic capital allocation as opposed to a Renewable Resource allocation?

**CHAIRMAN (Mr. Lewis):**

Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. Where the difference comes between the two departments is that Economic Development would consider those projects which are of a commercial nature, where individuals are trying to make an effort in making a profit. The Department of Renewable Resources would be more concentrated on subsistence where individuals are trying to find ways to support themselves with wild meat or taking animals for a living.

Also, the setting of quotas of any type of wildlife is all in the hands of the Department of Renewable Resources. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Minister. Mr. Gargan.

**MR. GARGAN:**

Thank you, Mr. Chairman. Yes, I thought people do hunting and trapping for one reason and that is to

make money on the furs that they harvest. There is commercialism in that area. Can you still say that there is nothing commercial about hunting and trapping? Fishing is the same thing. I don't know why it is separated, I am just saying it is kind of ironic that something that should be in the Renewable Resource area is in the wrong area. The Minister is trying to justify it, but I am saying it shouldn't be.

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan, you made your point. Total region, \$642,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Kitikmeot, total region, \$3,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total buildings and works, \$1.08 million.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

We are still on field operations, details of capital, equipment acquisition, headquarters, total region, \$30,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Fort Smith, total region, \$69,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Inuvik, total region, \$72,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Baffin, total region, \$98,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Keewatin, total region, \$57,000.

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**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Kitikmeot, total region, \$66,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan.

**MR. GARGAN:**

We just finished talking about commercial and now I would like to ask what is this plotter/printer, Coppermine?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Gargan. Mr. Minister.

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Mr. Chairman. Mr. Chairman, I would like to ask Mr. Handley to respond.

**CHAIRMAN (Mr. Lewis):**

Mr. Handley.

**MR. HANDLEY:**

Mr. Chairman, the plotter/printer for Coppermine is a piece of equipment that our officers use to detail all the data they collect from wildlife harvest studies or wildlife population studies and so on. It is a big printer that they use to make maps showing where the animals are and so on. It is for our officers' use. Thank you.

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan.

**MR. GARGAN:**

Was the Kitikmeot the last region to get this equipment or do the rest of the regions have them already?

---Laughter

**CHAIRMAN (Mr. Lewis):**

Mr. Arngna'naaq. Mr. Handley.

**MR. HANDLEY:**

I believe Coppermine is the last one to get it. I'm not 100 per cent sure that we have that piece of equipment in Norman Wells in our Sahtu region, but it is one of the last ones to have it.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Handley. Total equipment acquisition, \$392,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total activity, \$1.472 million.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Forest Fire Management

**CHAIRMAN (Mr. Lewis):**

Turn to page 10-17, forest fire management. Buildings and works, headquarters, total region, \$210,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Fort Smith, total region, \$95,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Inuvik, total region, \$225,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total buildings and works, \$530,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Equipment acquisition, headquarters, total region, \$341,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total equipment acquisition, \$341,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total activity, \$871,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Forest Management

**CHAIRMAN (Mr. Lewis):**

Forest management. Equipment acquisition, Fort Smith, total region, \$7,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total equipment acquisition, \$7,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Total activity, \$7,000.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Okay, we'll go back to the summary, then, for the department on page 10-7. Capital expenditures, total capital expenditures, \$2.471 million. Mr. Gargan.

**MR. GARGAN:**

Before we conclude this department, I still think there isn't enough. If I come back after the next election...I'm just kidding. I hope this budget goes up. I'm telling the Finance Minister and the Executive Council that there is practically nothing there for the communities with regard to the allocation of capital in the area of renewable resources. I think it is a major concern and I'm sure the Minister of Justice appreciates that he is getting out of the appropriation. He is laughing right now, but I would hope that this department doesn't see any further reductions. If anything, this area should increase. It is a major program that the aboriginal people rely on and I don't see anything here that is going to make the aboriginal people any happier. Thank you.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Gargan. Total capital expenditures, \$2.471 million.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Does the committee agree that we have concluded this department?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

What would the committee like to do next, in the next minute and a half? Mr. Dent.

**MR. DENT:**

Mr. Chairman, I move we report progress.

**CHAIRMAN (Mr. Lewis):**

The motion is not debatable. All those in favour? All those opposed? Motion is carried.

---Carried

I will rise and report progress.

**MADAM SPEAKER:**

I will call the House back to order. Item 20, report of committee of the whole. The honourable Member for Yellowknife Centre, Mr. Lewis.

**ITEM 20: REPORT OF COMMITTEE OF THE WHOLE**

**CHAIRMAN (Mr. Lewis):**

Thank you, Madam Speaker. Madam Speaker, your committee has been considering Bill 1 and Committee Report 10-12(6), and would like to report progress with one motion being adopted and, Madam Speaker, I move that the report of the committee of the whole be concurred with. Thank you.

**MADAM SPEAKER:**

Thank you. The motion is in order. Seconder for the motion, the honourable Member for Kitikmeot, Mr. Ng. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

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

---Carried

Item 21, third reading of bills. The honourable Member for Hay River, Mr. Pollard.

**ITEM 21: THIRD READING OF BILLS**

Bill 2: Aboriginal Custom Adoption Recognition Act

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Madam Speaker, I move, seconded by the honourable Member for Sahtu, that Bill 2, Aboriginal Custom Adoption Recognition Act, be read for the third time. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**



Question.

**MADAM SPEAKER:**

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

---Carried

Bill 2 has had third reading. Item 21, third reading of bills. The honourable Member for Keewatin Central, Mr. Todd.

Bill 13: An Act To Amend The Motor Vehicles Act

**HON. JOHN TODD:**

Thank you, Madam Speaker. I move, seconded by the honourable Member for Mackenzie Delta, that Bill 13, An Act to Amend the Motor Vehicles Act, be read for the third time.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

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

---Carried

Bill 13 has had third reading. Item 21, third reading of bills. The honourable Member for Keewatin Central, Mr. Todd.

Bill 14: An Act To Repeal The Public Service Vehicles Act

**HON. JOHN TODD:**

Thank you, Madam Speaker. I move, seconded by the honourable Member for Mackenzie Delta, that Bill 14, An Act to Repeal the Public Service Vehicles Act, be read for the third time. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

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

---Carried

Bill 14 has had third reading. Before we go to orders of the day, I would like to extend birthday greetings to the honourable

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Member for Sahtu, Mr. Kakfwi. Happy birthday.

---Applause

Item 22, Mr. Clerk, orders of the day.

ITEM 22: ORDERS OF THE DAY

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

Madam Speaker, there are meetings tomorrow morning at 9:00 am of Caucus, at 10:30 am of the Ordinary Members' Caucus, and at 12:00 noon, there will be a Caucus briefing.

Orders of the day for Tuesday, November 8, 1994.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents

14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters

- Tabled Document 14-12(6), "Open for Business" - Privatizing the Northwest Territories Power Corporation

- Tabled Document 23-12(6), Report of the 1993-94 Electoral District Boundaries Commission Northwest Territories

- Tabled Document 36-12(6), "Action Plan - Consolidation

- Health and Social Services"

- Minister's Statement 11-12(6), Return to Session

- Committee Report 10-12(6), Report on the Review of the 1995-96 Capital Estimates

- Committee Report 16-12(6), Toward an Economic Development Strategy

- Bill 1, Appropriation Act, No. 1, 1995-96

- Bill 16, An Act to Amend the Legislative Assembly and Executive Council Act, No. 2

- Bill 18, Supplementary Appropriation Act, No. 4, 1993-94

- Bill 19, Supplementary Appropriation Act, No. 1, 1994-95

20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

**MADAM SPEAKER:**

Thank you. This House stands adjourned until Tuesday, November 8th, at 1:30 pm.

**---ADJOURNMENT**