



**NORTHWEST TERRITORIES  
LEGISLATIVE ASSEMBLY**

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**HANSARD**

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The Honourable **Samuel Gargan**, Speaker

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**MEMBERS PRESENT**

Honourable Jim Antoine, Honourable Goo Arlooktoo, Mr. Barnabas, Honourable Charles Dent, Mr. Enuaraq, Mr. Erasmus, Mr. Evaloarjuk, Honourable Samuel Gargan, Mr. Henry, Honourable Stephen Kakfwi, Mr. Krutko, Mr. Miltenberger, Mr. Ningark, Mr. O'Brien, Mr. Ootes, Mr. Picco, Mr. Rabesca, Mr. Roland, Mr. Steen, Honourable John Todd, Honourable Manikot Thompson, Mrs. Jane Groenewegen, Honourable Don Morin.

**ITEM 1: PRAYER**

Oh God, may your spirit and guidance be in us as we work for the benefit of all our people, for peace and justice in our land, and for constant recognition of the dignity and aspirations of those whom we serve. Amen.

**SPEAKER (Hon. Samuel Gargan):**

Thank you, Mr. Ningark. Orders of the day. Item 2, Ministers' statements. Mr. Dent.

**ITEM 2: MINISTERS' STATEMENTS**

Minister's Statement 31-13(4): Career Development, Literacy Information on World Wide Web

**HON. CHARLES DENT:**

Mahsi, Mr. Speaker. Mr. Speaker, I am pleased to announce the release of two new Internet resources. SikSik -- which is Education, Culture and Employment's presence on the World Wide Web -- has expanded to cover career development as well as literacy and adult basic education.

The career development site provides information that individuals, employers, communities and department staff can use in career and employment development. The site highlights departmental programs, services and resources. It also includes information on the NWT labour market, employment initiatives in key sectors such as mining, and training opportunities. People using the site are able to link directly to the regional career centres, the northern colleges and Can Work Net. Can Work Net is a national partnership that provides information about the job market and career planning.

The literacy and adult basic education site provides users with information on literacy in the workplace and the community, as well as aboriginal languages literacy. Funding procedures for community literacy projects in the Territories, descriptions of current projects, and links to other resources are also included.

Education, Culture and Employment's strategic plan outlines the key role that information technology will play in improving educational services to northerners and developing community learning networks. Adding information about career development, literacy and adult basic education to SikSik is an important step in supplying vital information to people and communities.

Mr. Speaker, later on in this session, I will provide more information about how the department is supporting the development of new uses for computers in the classroom. Thank you.

**MR. SPEAKER:**

Ministers' statements. Mr. Morin.

Minister's Statement 32-13(4): Minister Absent From the House

**HON. DON MORIN:**

Thank you, Mr. Speaker. I wish to advise the Members that the Honourable Kelvin Ng will be absent from the House today and Wednesday to attend the Council on Social Policy Renewal as well as meetings of the Federal, Provincial and Territorial Ministers of Social Services in Toronto. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Ministers' statements. Item 3, Members' statements. Mrs. Groenewegen.

**ITEM 3: MEMBERS' STATEMENTS**

Member's Statement On Senior's Fuel Subsidy Program

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Today, I would like to speak again about the senior fossil fuel subsidy. Ordinary Members of this House and the Social Programs Committee members have repeatedly expressed their objection to the Department of Education, Culture and

Employment's position on the subsidy of fossil fuel to seniors in the Northwest Territories. Despite lengthy discussions, impassioned pleas, and intelligent reasoning, Minister Dent has not seen fit to leave this \$250,000 item of support to seniors in the 1997/98 budget. The Minister told us that if we wanted to leave this expenditure in place, the money for it will have to be found some place else within the department.

Several reasonable and viable options for the revenue could be found or a reduction made were offered up. This subsidy is part of a larger issue of fairness and consistency in support to seniors. A system of programs which very obviously has many flaws and gaps. After all this discussion, I have to ask myself a question I often ask my children, who appear at times to have selective hearing, am I having a conversation with myself? I question the Minister's hearing in this instance as well.

Are Ordinary Members who feel very strongly about this subsidy having a conversation with ourselves? What part of leave it in the budget does the Minister not understand? It is my understanding that a comprehensive review of support to seniors is underway, or going to be undertaken. While I applaud this measure, which will look at things such as income thresholds, age, and eligibility, I would like to see the fossil fuel subsidy remain in the budget. Further, there be a moratorium on any reductions in support to seniors until such time as a fair and integrated proposal is brought forward and adopted. If such a moratorium on changes to support to

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seniors is not agreed to by the Minister, I think that a boycott of the consideration of the budget of Education, Culture and Employment in this House would be in order. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Enuaraq.

Member's Statement On Clyde River Hockey Arena

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. Good afternoon, Members. I wish well to my family back home in Clyde River. Mr. Speaker, I will speak about an issue that I have talked about earlier. It is with regards to Clyde River. The population in Clyde River

continues to increase, and up to today, they do not have a hockey arena. I have brought this issue up before to the appropriate Minister. I was requesting a hockey arena be established in Clyde River. Today, I will be asking a question under question period. I will be directing my question to the Minister of MACA, Municipal and Community Affairs, with regards to this arena. I will be asking the honourable Minister with regards as to what they have done for my request. Thank you, Mr. Speaker. (Translation ends)

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Henry.

Member's Statement On Budget Development Process

**MR. HENRY:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to comment on a report that I heard on CBC radio last evening. It was on a comment made by Mr. Todd, the Minister of Finance, regarding the budget. Mr. Todd stated that he did not see much opposition to the budget because, and I quote, "because Members had a hand in it". This statement is accurate, Mr. Speaker, but I would like to explain it a little further, as I am sure that the Minister of Finance would have done if he had a little more time.

Each of the departments sponsored by their Minister brings forward the budget for presentation of their department to the Ordinary Members' committees. A few weeks later, the same Minister with his officials will bring back a draft budget. At both of those times, Ordinary Members do have input into that document. The document is prepared, so mostly the committees are responding to what has been presented by the departments and the Minister. I am not suggesting that Ordinary Members did not have a hand in the budget, nor am I suggesting that this budget may have a lot of opposition in the House, I think that there will be some areas as we are working through that will be contentious, but I think it is fair to say that if the Minister felt that all Ordinary Members had a hand in it, it is like me inferring that I am draining Great Slave Lake because I took a bucket of water out of it last year. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Henry. Members' statements. Mr. Ootes.

Member's Statement On Civil Service Southern Hires

**MR. OOTES:**

Thank you, Mr. Speaker. Mr. Speaker, I am going to join my honourable colleagues today and question the recent appointments of non-northerners to senior posts in the civil service. We have been dealing with this issue at various levels for some time. Ordinary MLAs fear that qualified northerners are losing opportunities to imported talent. First, let me make one thing clear. I do not want to question the capabilities of individuals who have moved north to take senior positions with the territorial government. I am sure their qualifications and references are first rate.

My problems lie with the decisions of the people doing the hiring. This government must make a commitment to the northern work force, and I do not believe that recent decisions reflect that commitment.

Mr. Speaker, when we negotiated a development agreement with BHP Diamonds, we demanded the company set a target of 60 percent northern hires. Likewise, we apply a strict affirmative action policy throughout the lower levels of the civil service. I think we should try harder to enforce similar targets and policies at the senior management level where appointments are most visible and influential. If we do not, I fear we will lose all credibility, especially, when we ask outside employers to hire northerners and promote them to management positions.

I wonder what kind of image we project when we hire the bulk of our senior managers from the south. I suspect it is not a good one. The fact that the government has dragged its feet in replying to last year's report on affirmative action makes matters even worse. I have been asking for a reply since I got here in 1995.

**MR. SPEAKER:**

Order. Mr. Ootes. Your point of order, Mr. Premier.

**HON. DON MORIN:**

Thank you, Mr. Speaker. The Member, Mr. Ootes, for Yellowknife Centre, is deliberately misleading this House and the public with his previous statement that we, as a government hire the bulk of our senior management from the south. I would ask him to withdraw that statement. Thank you.

**MR. SPEAKER:**

Thank you. On the point of order of the Premier. The Premier does not have a point of order. He does have a point of debate, but I do not think that Mr. Ootes' intention was to mislead the House. I would like Mr. Ootes to conclude his statement, if there is no other point of order. Mr. Ootes.

**MR. OOTES:**

Thank you, Mr. Speaker. I will clarify the point as well. Three of the five senior appointments, that is at the deputy minister and senior ADM level, have been or will be appointed from the south in the past year.

That is my point. If I may continue, Mr. Speaker, to conclude my statement. I have been asking for a reply to the affirmative action report since I got here in 1995, but I have not had that report tabled back in the House. Mr. Speaker, I believe, northerners are up to any job that this government has to offer. Mr. Speaker. I seek unanimous consent to conclude my statement.

**MR. SPEAKER:**

The Member for Yellowknife Centre is seeking unanimous consent to conclude his statement. Do we

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have any nays? There are no nays. You have unanimous consent.

**MR. OOTES:**

Thank you, Mr. Speaker. I also believe it is up to us to demonstrate confidence in our northern people. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Ootes. Members' statements. Mr. Miltenberger.

Member's Statement On Hiring Senior Managers from the South

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. I, as well, would like to rise and voice my concerns with the issue of the hiring of senior staff at the ADM and deputy minister level. I would point out that, as Mr. Ootes has, three of the last five positions have been hired from the south, and I am very concerned about the message that we are sending as a government in regards to our strong

sentiments that we voice about affirmative action, and the words we speak, but the actions that we carry out seem to differ sometimes. At this level, I do not think it is appropriate, and I am concerned that the message that we are sending to the people, is it is okay to lay off northerners by the hundreds, but we always have room to hire a few more southerners, even though we have a whole pool of qualified northern labour and talent here.

This is a message in the case of MACA, that community empowerment is so complicated for us that we have to bring in somebody from the south to help us run it. If we have to bring in somebody that is an expert from the south on community empowerment, how can we expect to sell this to the people, who are expected to use their own resources and the services there to deal with this issue?

It is a message that, after 30 years, we still have to rely on imported managers to come up and run the affairs of this territory. It is a message that northerners are not capable, after all these years, as we push towards division and self-government.

Mr. Speaker, the senior management ranks are a bleak landscape in terms of affirmative action, and the statistics bear it out. It is nothing that we can hold our heads up with and say that we have met any kind of targets that are really relevant or reasonable.

Mr. Speaker, I am concerned that the government's actions and its words do not match. It is a message that there is a double standard. This, of course, begs the question: what type of affirmative action northern strategy can we expect, that will be accepted as relevant and credible, given the two paths we seem to be walking as a government and an Assembly on this very critical issue? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Miltenberger. Members' statements. Mr. Krutko.

Member's Statement On Rebuilding Chief Julius School

**MR. KRUTKO:**

Thank you, Mr. Speaker. I rise today in regards to the Chief Julius School that was destroyed by fire over a year ago and is presently under construction. The community has made a decision to build a full size gymnasium similar to the one that was destroyed in the fire January 9, 1996. But because regulations that

this government has put in place in regards to the size of gymnasiums based on population, they are not able to do that. Yet, the community has made a commitment in the past to down-size the existing community hall and transfer those monies to the previous gymnasium in 1994. Through the destruction of the school in the fire, they were told that they would not get a full size gymnasium, yet, it is being constructed to date at a cost of almost \$300,000, which the community will have to pick up the portion of that cost. The school that was destroyed was covered by insurance. I do not see why this government cannot find the appropriate funds through the insurance policy or plan that it had in place. Mr. Speaker, at the appropriate time, I will be asking the Minister of Education a question on this matter, which I believe that this department has the authority for education and education facilities in all communities, and should take the responsibility when those facilities are being constructed. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Krutko. Members' statements. Mr. Rabesca.

Member's Statement On Restoration of Rayrock Mine Site

**MR. RABESCA:**

Thank you, Mr. Speaker. Mr. Speaker, we have had a long history of mining in our country. In most parts the mining companies have cleaned their sites, leaving little or no harmful products behind. I do, however, know of one mining site, a short distance from Rae, that has taken over three decades to get cleaned. This mine is the Rae Rock Mine. In the late 1950s and early 1960s this mine operated. Of course in those days there was little known about the contaminates and effect they have on people and wildlife that go near. Since the closure of this mine, there have been many residents that have passed on due to cancer, which some say is a direct result of these people working at the uranium mine at Rae Rock.

Studies were made, but no clear identifier showed that this was the case. Over the years, my people have lobbied strong and hard to get the company or the government to clean the site and finally, within the last couple of years this mine site has been cleaned. This of course is good, however, how many people and wildlife have died over the years as a result of

tailing ponds being unprotected, which allowed animals to drink from there.

Now today we have another mine that may be on the verge of closing, that being the Colomac Mine operated by Royal Oak. My concern, as well as a number of my constituents, is that if this mine closes what will become of the tailings ponds. How can we assure my people that no harm will come from hunting caribou that have travelled past this site and have eaten and watered from this area?

It is my hope that we do not have to wait another 30 years for any and all dangerous goods to be cleaned from this site. The clean up must take place, as part of the parcel of this mine shut down and our government must monitor and ensure that this takes place. At the appropriate time I will be asking the Minister responsible regarding this important issue. Thank you, Mr. Speaker.

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**MR. SPEAKER:**

Thank you, Mr. Rabesca. Members' statements. Mr. Picco.

Member's Statement On Strategies for Northern Issues

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, I will give my budget address later today. At this time, I want to talk of strategies. Mr. Speaker, a goal without a strategy is just a slogan. On April 1, 1999, do we want to become known as a slogan driven government? All the buzz words of slogan driven agendas are there. We have a common agenda, a common plan. My children, and your children, and the one that creeps up in every discussion, with the board collective in the house at the end of the day. The point here, Mr. Speaker, is our revenue has been reduced, and we seem to be void of other areas of revenue generation outside the doom and gloom of new taxes or tax increases. We have not addressed new social housing issues, or a comprehensive job strategy.

But in fairness, it has been a rough 15 months. Mr. Speaker, the mandate of the 13th Assembly has been fraught with less federal funding, looming division, a forced growth rate in the social envelope that is driving the majority of our expenditures. It is not a time, Mr. Speaker, to begin to sit down as an Assembly and ask the residents, the constituency of

the Northwest Territories, where the focus for the last 700-odd days of this government are headed before division.

We will have to evaluate the down sizing, reductions, and lay offs, the program cuts, and elimination of jobs and services. The full impact on the pace and direction of our community empowerment and our hiring policies. Then, and only then, can we plan for a course of action leading up to April 1 division and beyond.

Mr. Speaker, I look forward to raising these and other issues during the main estimate debates of the particular departments in the committee of the whole over the next few weeks. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Picco. Members' statements. Mr. Roland.

Member's Statement On CBC Radio Interview

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, I rise today to make comment on an interview I did yesterday with CBC Radio. During the interview, I was told that there was information given that Inuvik had taken 11 percent reduction, the highest of all the other communities that were mentioned. It threw me off during the interview, and at the same time they asked how would I defend this.

I replied that I do not believe it is my job to defend the reductions that are coming by this government. I agree I take part in committees, and I put forward suggestions in the committees that I sit on, but if those are not accepted as options, then I have no recourse but not to buy into what is being put forward. I told them it was my job to make sure, as I have said here in the house many times, that fairness needed to be looked at. That we need to deal with communities in a fair and equitable manner.

-- Applause

As I said, with great interest I would see how this budget unfolded. I do not know where this information of the 11 percent came in, but I intend to try and find this out, because no doubt, as the people of Inuvik heard that interview, they are probably wondering why is this happening for the second year in a row? Later on, Mr. Speaker, I will be questioning the appropriate Minister on this information. Thank you.

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Erasmus.

Member's Statement On Southern Hires

**MR. ERASMUS:**

Thank you, Mr. Speaker. My statement is on the recent appointments of southerners to high profile jobs, and in particular, on the recent job offer for assistant deputy minister to head the community empowerment initiative.

Mr. Speaker, yesterday Mr. Miltenberger said he was appalled that a southerner had been offered this position. I, too, am appalled. I am appalled, shocked, dismayed, and ashamed. Yes, ashamed. Ashamed to be part of a government that would make a job offer of assistant deputy minister in charge of community empowerment to a southern person with no northern experience whatsoever.

Mr. Speaker, no doubt the person is a good worker, he has a good resume, and all the rest of that, but in this past year alone, we have laid off over 200 people in Yellowknife, and somewhere in the vicinity of 400 in the Northwest Territories. The Premier and the Finance Minister have indicated that we still have an affirmative action policy, but the Minister of MACA does not want to indicate that our department follows this mythical policy. This indicates to me that this mythical policy does not seem to apply to Cabinet. A Cabinet that is supposed to lead by example. What kind of example is Cabinet setting when, in the last year, they have hired three out of five high profile positions, they have hired people from the south. Mr. Speaker, the community people are already sceptical about community empowerment. I would have thought that they would have found a friendly, honest, respected face. No, we get a southerner with no northern experience to lead the charge on community empowerment. What will the community leaders think, when this person comes to consult with them, when he does not even know what Treaty 8 is, or the South Slave Region?

-- Applause

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

**MR. SPEAKER:**

The Member for Yellowknife North is seeking unanimous consent to conclude his statement. Do we

have any nays? There are no nays. You have unanimous consent, Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Speaker. Does this government still have an affirmative action policy? If we do, does this affirmative action policy apply to cabinet? Apparently not. The Minister of MACA would not answer yesterday when I asked if MACA follows the policy. Now, for this assistant deputy minister position, it should not have even been advertised in the south, never mind hire a southerner. Talk about kicking a person while he is down. You hire a

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southerner, and they have absolutely no northern experience whatsoever. I would suggest that if the interviewers were not happy with the northern applicants, they should have re-advertised the position. This has been done many times. I would like to know why this was not done in this instance. Mr. Speaker, in the words of a well known, beloved, benevolent benefactor, who is all things for all people in all areas of the NWT, why, why, why?

The only word that comes to mind is arrogance, Mr. Speaker. Yes, arrogance, and I cannot understand the arrogance of this cabinet, and I cannot condone it. The job offer for this assistant deputy minister position should never have been made, and I am asking the Minister to revoke it. Thank you.

-- Applause

**MR. SPEAKER:**

Thank you, Mr. Erasmus. Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery, Mr. Ootes.

**ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY**

**MR. OOTES:**

Thank you, Mr. Speaker. I would like to introduce a very well-known and respected Metis elder in the north, a northern prospector. He is a good friend of mine and a constituent, Darcy Arden.

-- Applause

**MR. SPEAKER:**

Welcome to the Assembly. Recognition of visitors in the gallery.

I would like to make a ruling on the point of order raised by Mr. Kakfwi on January 24, 1997. The rules and procedures of this House require the Speaker to rule on all points of order and privilege as they arise in the House. I would therefore like to rule on the point of order raised by the Member for Sahtu, Mr. Kakfwi, on Friday, January 24 regarding dress and decorum.

#### Speaker's Ruling

In providing this ruling, I considered past practices and rulings that have been made on the question of dress and decorum in the Assembly. I do not intend to address, in great detail, the specific point raised by Mr. Kakfwi so as not to provide further profile to this particular incident.

First, to the question of what attire and dress in the chamber would be considered a matter for a ruling by the chair if Rule 12 is challenged. In our rules, under the heading, Order and Decorum, Rule 12(9), provides for the following and I quote:

"When in the Assembly, every Member shall be attired in native dress or in a manner appropriate to the dignity of the Assembly."

This is perhaps one of the most difficult rules that we have with respect to its interpretation and application. For example, other rules under the same section are far more clear, such as the following, and I quote Rule 12(10):

"Smoking is not permitted during any proceedings of the Assembly. Food and beverages, other than water, may not be brought into or consumed in the chamber."

By way of illustration, that rule is easy to interpret and when an infraction occurs, it is obvious to the chair and the rule can be clearly and quickly applied. This, as I indicated, is not as simple when considering the attire of Members. This question has been raised before in the 13th Assembly and it also has been raised in other Assemblies. The chair has previously allowed some latitude in the matter when it is raised more as a way of providing, some might say, comic relief. However, I feel that comic relief of this nature is not something that I will continue to tolerate and I am sure those who follow the actions of Members in the House, through television and radio, do not wish to

see their elected members behaving in a manner that may discredit the Legislative Assembly as a whole.

To the specific point of order raised by Mr. Kakfwi, he felt, and I quote from Mr. Kakfwi's comments contained on page 343 of the unedited Hansard:

"Mr. Speaker, there are two points. One, that the wearing of a tie that has Mickey Mouse on it offends the dignity of the Dene jacket that is worn. The second point raised was that the wearing of a Mickey Mouse tie offends the dignity of the House in which the Member is sitting."

With regard to the first point, on the question of wearing a tie with a traditional Dene jacket, I would suggest it would be very difficult to deal with this issue in isolation of all Members' opinions on the matter. I do not intend to waste the time of the House to do this and will comment on this later. I do note, however, that the Member for Mackenzie Delta, in responding to the point of order, did indicate some understanding of Mr. Kakfwi's concern and I quote from his comments contained on page 343 of the unedited Hansard:

"I do have to agree with my colleague who raised the point in regards to wearing just the traditional jacket without a tie. I was told that I had to wear a tie. I do agree that when we are using traditional dress, that we should not wear a tie."

Other jurisdictions are not of much assistance to us in addressing this matter. The House of Commons' standing orders are virtually silent on the subject of Members' dress. Many Speakers in the House of Commons, and in other jurisdictions, have ruled that male Members must wear a jacket, shirt and tie.

In general, Speakers have enforced conservative, contemporary standards relating to dress. Native dress is recognized specifically in our rules, which should be the case, as rules should reflect the Members' cultures and traditions of the jurisdiction they are elected to serve.

I am of the opinion that it would be impossible for the Speaker to produce a dress code where certain items may or may not offend the dignity of the House and the many traditions in the Northwest Territories. It is also clear that there does have to be a standard that has to be applied to ensure the dignity of the House is maintained. I think the constituencies we represent expect more of us in this regard.



In researching this point, I noted that, in the House of Commons, it is usually up to the Speaker where he or she

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views the dress as disruptive to the conduct of the House. Problems rarely arise unless the attire has been chosen specifically intended to disrupt the House and then the Speaker must focus, not on the dress, but on the disruption.

I am confident that when Members get up in the morning and contemplate their attire for the day, that they do so without any attempt to cause disruption or discomfort to other Members or to make a political statement. I wish to be quite clear that, if I find that any Member does dress to cause a disruption, I will deal with that Member with the full authority you have given me as Speaker.

The present Rule 12(9) does not give the Chair a clear definition as to what or what is not an acceptable mode of dress. Comments last week indicated many Members are also uncertain. I therefore refer the matter of attire of Members and wording of Rule 12(9) to the Standing Committee on Rules and Procedures, to provide guidance and direction so that we do not continue with this type of debate in the House.

In light of this referral and, in anticipation of additional clarity on the issue, I rule that Mr. Kakfwi does not have a point of order.

On another somewhat related issue, while considering this ruling, I am conscious of the fact that it was raised during question period. The matter of raising points of order or questions of privilege during question period has concerned me for some time. Such points of order or questions of privilege take up the valuable time allotted to question period. I agree that this is a concern and would point out that a number of other jurisdictions do not permit points of order or matters of privilege to be raised during question period. We have the longest question period of all the Canadian jurisdictions, which may be necessary in our consensus style of government. In our consensus style, it is equally important that we make efficient and, I would hope, effective use of the time available, so that as many Members as possible can ask questions. I therefore rule that:

Questions of privilege and points of order that Members may wish to raise during question period,

ought to be taken up after the question period, unless the Speaker considers it to be an extremely grave or urgent matter.

Members, thank you for your attention. Item 6, oral questions. Mr. Enuaraq.

#### ITEM 6: ORAL QUESTIONS

Question 138-13(4): Plans for Arena in Clyde River

#### MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. As I said in my Member's statement earlier, I will be asking the Minister of MACA regarding an arena for Clyde River. I would like to ask the Minister, the Honourable Manitok Thompson, Minister of Municipal and Community Affairs, I would like to ask her what her staff have planned for the arena in Clyde River. Thank you. (Translation ends)

#### MR. SPEAKER:

The Minister responsible for Municipal and Community Affairs, Ms Thompson.

Return To Question 138-13(4): Plans for Arena in Clyde River

#### HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. Regarding the arena in Clyde River, it has not changed as planned in 1995 and 1996. We consulted with the community and there have been no changes to this point. In 1997-98, drafting will be done, in 1998, the construction will begin in Clyde River and in 1999, it will be completed. (Translation ends)

#### MR. SPEAKER:

Oral questions. Mr. Picco.

Question 139-13(4): Baffin Regional Librarian Position

#### MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, in the Baffin, we enjoy the services of a regional librarian. This person supports the four community libraries in the region, along with running the library in Iqaluit. The regional librarian provides a variety of services including training, developing a Nunavut collection, oral services for residents living outside of Iqaluit, and

also building up a very useful resource materials of Inuktitut going back several decades. Can the Minister of Education, Culture and Careers, confirm that the regional librarian position is proposed to be cut in 1997-98 budget, next year.

**MR. SPEAKER:**

The Minister responsible for Education, Culture and Employment. Mr. Dent.

Return to Question 139-13(4): Baffin Regional Librarian Position

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, the Member is correct. That position as well as the other remaining position which is in the Keewatin, are not funded in the 1997-98 budget.

**MR. SPEAKER:**

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 139-13(4): Baffin Regional Librarian Position

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, it is a major concern in the Baffin region, especially in my community, about the loss of this position. I understand that with the proposal on the table, is that the people now in the Baffin will have to request/borrow books from the NWT head office of the library service in Hay River. That is where the headquarters for the library service is located. Can the Minister confirm that for me?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 139-13(4): Baffin Regional Librarian Position

**HON. CHARLES DENT:**

Mr. Speaker, I believe that the intention is to move to an electronic data base which would mean that all of the libraries across the north will be linked, so that resources are available in every community from all northern libraries. It does not mean that all of the services will necessarily be provided from Hay River. No.

**MR. SPEAKER:**

Oral question. Supplementary, Mr. Picco.

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Supplementary To Question 139-13(4): Baffin Regional Librarian Position

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, what does that mean that it is going to be hooked up to the Internet? Does that mean electronic service? What I am saying is, if the book right now is available in Iqaluit, is based in the Iqaluit regional library. It is mailed from Iqaluit to Pond, to Pang, to Dorset. If there is no regional librarian in Iqaluit, does that mean that the library service has to pay to ship the book from Hay River to Iqaluit, or ship it from Hay River to Pond Inlet, at what cost? The principle of the library service, Mr. Speaker, in the Northwest Territories according to the Act is that we would provide a free library service to the people of the Northwest Territories. Who will pay for this, and where is the money coming from?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 139-13(4): Baffin Regional Librarian Position

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. I am trying to remember particularly the three questions there and answer as many of them as I can remember. There will be no change to the way the service is provided, Mr. Speaker. Currently, the regional librarian in Iqaluit may find that a book that has been requested in Cape Dorset is actually residing in Yellowknife. It is still provided from Yellowknife to Cape Dorset. It has nothing to do with the location of the books necessarily. The books will still be wherever they are located in whichever community library. If they are located in the community library in Iqaluit, they can still be shipped from Iqaluit to Cape Dorset. That is still the intention, to link the libraries so that the books are still available to all residents of the Northwest Territories, but certainly not every library in the north will have every book.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Picco.

Supplementary To Question 139-13(4): Baffin Regional Librarian Position

**MR. PICCO:**

Thank you, Mr. Speaker. I guess there was three answers in those three questions in the one. I will not get into a debate with it. Part of my earlier preamble when I talked about the importance of the work going on by the community librarian, one of those things is to work for the creation of the new territory of Nunavut, which means that the only qualified professional librarian in all of Nunavut is located in Iqaluit. We are laying that person off. Mr. Dent had a great speech about literacy earlier today on the World Wide Web. I wonder, can Mr. Dent tell me who is going develop the collection and maintain the collection of Inuktitut materials, now presently available in the Iqaluit regional library which is maintained by the regional librarian, who is now not going to be there at the end of three months. Who will be doing that? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent.

Supplementary To Question 139-13(4): Baffin Regional Librarian Position

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I do not believe that the regional librarian is the only qualified in the Northwest Territories. I am sure that the librarian that is also being eliminated in Rankin Inlet is a qualified librarian. As was the regional librarian in Hay River who was laid off last year.

To answer the Member's question, the Member seems mostly concerned about what sounds to me almost like a division related issue. Perhaps, the Member should be requesting that the interim commissioner for Nunavut, when he or she is named, appoint a librarian to collect these documents that the Member is referring to. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Barnabas.

Question 140-13(4): Cost of Replacing Regional Librarians

**MR. BARNABAS:**

(Translation) Thank you, Mr. Speaker. I want to ask a question to Honourable Charles Dent (Translation ends) on behalf of our mandate as an Assembly, trying to deal with the legacy of debt that we inherited. We have looked at cutting costs and providing more efficient services. We have also spent time gearing up for division. With this in mind, Mr. Speaker, it is not clear how replacing regional librarians in the east with the support services from the west and technology will be either cost effective or supportive of preparing for division. My question to the Minister, Mr. Speaker, has the Minister done a cost analysis of the additional costs to provide both technological and staff support to both Baffin and Keewatin from Hay River? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister of Education, Culture, and Employment. Mr. Dent.

Return To Question 140-13(4): Cost of Replacing Regional Librarians

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, one of the reasons for this change is a budgetary initiative, to save money. So, that sort of examination was undertaken. I think it would be safe to say that, whether or not we were eliminating the regional librarian positions, this government still has a commitment to move forward with the technological change we are embarking on because it provides better service to all of the people in smaller communities across the north. That really is one of the driving factors here.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Barnabas.

Supplementary To Question 140-13(4): Cost of Replacing Regional Librarians

**MR. BARNABAS:**

Has he looked at the increased cost in telephones, mailings, travel for training of the new community library staff and increased staff demands? Hay River staff are not familiar with the needs of the culture of the people in these regions. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 140-13(4): Cost of Replacing Regional Librarians

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I think that the department is satisfied that there would be no increase in mailing costs necessarily, because the books are not being moved. The books still only have to move from whatever community they are resident in right now to whatever community they are being requested in. In terms of training, it is being undertaken all of the time. In fact, the department has, for the last couple of years identified funds within its budget to ensure that the people are adequately trained to take advantage of the technology. So, Mr. Speaker, I do not think that this is an issue.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Barnabas.

Supplementary To Question 140-13(4): Cost of Replacing Regional Librarians

**MR. BARNABAS:**

There is an indication that the regional librarians are no longer needed, because part of their function will be taken over by technology. Has the Minister done cost estimate of the hardware and software cost necessary to make this reality? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 140-13(4): Cost of Replacing Regional Librarians

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, as I indicated a couple of responses ago, we are moving forward with this infrastructure in any case, because it provides better service. The hardware has been budgeted for, the software has been budgeted for, the digital backbone across the Northwest Territories is something that is going in. This is not something that is additional in terms of cost to this government. We are embarking on this digital network because we have identified it as a significant way in which we can save money. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Barnabas. Your final supplementary.

Supplementary To Question 140-13(4): Cost of Replacing Regional Librarians

**MR. BARNABAS:**

As I mentioned in my initial question, we have been preparing for division. In most departments there is a talk about establishing an eastern presence so that the transition in 1999 will be smoother. The elimination of the regional librarians seems to eliminate the possible presence of the core library staff in Nunavut. Mr. Speaker, can the Minister explain why he is making these reductions which seem contrary to the approach the government is taking on division? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent

Further Return To Question 140-13(4): Cost of Replacing Regional Librarians

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, the elimination of these positions is seen partly as a budget measure in order to meet our target, but also, as I have said, because we see with the changing technology, the way library services are being offered across Canada, more and more the services are being offered electronically. We are confident that we can achieve a good level of service at better cost to this government with these changes. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Mr. O'Brien.

Question 141-13(4): Relocation of Office to Arviat

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of the NWT Housing Corporation. Mr. Speaker, earlier this fall I received written notice from Mr. Joe Hanley of the Housing Corporation that the Housing Corporation suboffice in Rankin Inlet would be closed, and positions moved to the regional office in Arviat on March 31, 1997. Subsequent to that notice, I was advised in the Assembly by the Minister

responsible for the Housing Corporation, that the relocation suboffice had been placed on hold pending the outcome of the amalgamation of Housing Corporation, Transportation, Public Works and Services. Mr. Speaker, in light of the decision last week in this Assembly not to proceed with the amalgamation, can the Minister confirm when this transfer will take place? Thank you.

**MR. SPEAKER:**

The Minister responsible for the NWT Housing Corporation. Mr. Arlooktoo.

Return To Question 141-13(4): Relocation of Office to Arviat

**HON. GOO ARLOOKTOO:**

Mr. Speaker. It is true that we had put any changes on hold for the time being. One of the recommendations that we did agree with government operation was to continue to look for areas where we could improve efficiencies, lower costs, et cetera. That is the area that we need to continually be working on, and it is an area that I am spending some time looking at. We are in the process of doing that, reviewing the way we run these offices. I do plan to make a plan available for Cabinet to review within the next few months.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 141-13(4): Relocation of Office to Arviat

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, I am not sure if I heard the Minister say that he would be reviewing this again, and it would take another few months. Was that his comment?

**MR. SPEAKER:**

Mr. Arlooktoo.

Further Return To Question 141-13(4): Relocation of Office to Arviat

**HON. GOO ARLOOKTOO:**

Mr. Speaker. The amalgamation, as I repeated, has been put on hold, but I did say that we agreed with

the government operations committee recommendation that we continue to look for efficiencies. We

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are doing that. We are also reviewing how the community empowerment initiative will effect the operations of district offices in these communities. So, we will be coming up with answers shortly.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 141-13(4): Relocation of Office to Arviat

**MR. O'BRIEN:**

Thank you, Mr. Speaker. I find the Minister's answer somewhat frustrating. I assume that when I had written confirmation that the positions would be transferred that his department would be true to their word. We were then further told that because of the amalgamation that we would have to wait until the outcome. We now know the outcome. The Minister is now saying that he has maybe changed his mind, and there is a further delay. There was no delay when they transferred five positions out of Baker Lake to Rankin. No delay, without any consultation with myself, nor the community. I would suggest to the Minister that he should look at the documentation that was sent out to myself where he confirmed that the positions would be transferred to Arviat. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Arlooktoo.

Further Return To Question 141-13(4): Relocation of Office to Arviat

**HON. GOO ARLOOKTOO:**

Mr. Speaker, we are working in an environment of rapid change of preparing for division, less money for departments and less flexibility in what we can do. I do understand the Member's concern about trying to maintain jobs in his community. However, at this time, I cannot give any comfort in saying that I will not do one thing or another.

**MR. SPEAKER:**

Oral questions. Mr. Krutko.

Question 142-13(4): Chief Julius School

**MR. KRUTKO:**

Thank you, Mr. Speaker. My question is for the Minister of Education in regards to the Chief Julius School in Fort McPherson. Some time in the early hours of Tuesday, January 8, 1996, the Chief Julius School, Fort McPherson, was destroyed by fire. Before this sad event occurred, Tetlit Zheh Construction Limited, a Gwich'in-owned company, was in the process of negotiating a contract with the Government of the Northwest Territories to renovate the old school.

I would like to ask the Minister, what amount was allocated for the renovation of the school and how much was spent, prior to the demise of the school? Further, I would like to ask the Minister, what became of the unspent capital that was allocated for that renovation? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The Minister of Education, Culture and Employment, Mr. Dent. I believe there are two questions there.

Return To Question 142-13(4): Chief Julius School

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I do not have with me, at this point in time, the figures that were previously budgeted for renovation of that school. In terms of what would have happened to the capital allocation, it would have been redistributed among other projects within the department. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 142-13(4): Chief Julius School

**MR. KRUTKO:**

Thank you, Mr. Speaker. The reason that I ask these questions is to assist my constituents in accessing funds that were not committed by this government, to cover the additional costs associated with the gymnasium in the new Chief Julius School. The

House is well aware, Tetlit Zheh Construction Limited, in consultation with the government and the communities, to try to find funds in regards to the construction of the Chief Julius School, was made prior to March, 1996, when a decision was made to complete the full-size gymnasium and to access funds from other areas, other departments, such as MACA and also through the lost heat idea.

Mr. Speaker, a few years ago, the community of Fort McPherson agreed to the building of a community complex which was designed... would Mr. Todd hold back on his remarks until I have finished my statement?

-- Applause

With the construction of a community complex which was built smaller than normally designed, so that the community could allocate funds into the old Chief Julius School for a full-size gym. Mr. Speaker, Fort McPherson School and president of the Gwich'in Development Corporation...

**MR. SPEAKER:**

Mr. Krutko. I have reminded the Members, in my ruling today, that I will allow the preamble to a question and then three additional questions. What I will not allow is Members to continue to make the same preamble every time they ask the same question. I will allow Members to give a preamble to their question and then questions relating to that preamble. Now, can I get some Members' cooperation to that regard, please? Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Speaker. Can you allow me to get to my question? As I stated for the Minister, there have been attempts made to find those resources so the question I would like to ask, Mr. Speaker, will the Minister of Education attempt to access funds to cover the additional cost of a full-size gymnasium?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 142-13(4): Chief Julius School

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, this government has bent over backwards to help the

community to try and find some way to build a larger gym in the school. This project is being managed by the Divisional Education Council. We have a block funding agreement with the Council and handed over responsibility totally for the project to that Council. I do know that the community, the Member, myself, all met with the Minister of MACA, to talk about whether or not funds could be found for an expanded gym. I know that, unfortunately, there was not agreement within the community, for instance, to switch the cost of a new grader into providing an expanded gym, even though the local development corporation has graders in the community, which could have been used.

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I think that there have been efforts made by MACA, and by my department. I know that the Power Corporation certainly suggested that, through the joint venture company AADRIL Limited, the cost to heat the school could be reduced and some of those capital costs maybe turned into a gym. There was not political agreement as to whether or not any of these processes could work. At the end of the day, Mr. Speaker, we are left with the situation where we could not find any extra funds. I must tell the House that, at this point in time, I have been unable to identify any extra funds within my department to provide a further contribution to this project. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 142-13(4): Chief Julius School

**MR. KRUTKO:**

Thank you, Mr. Speaker. I would like to ask the Minister if he would give me the information with regards to the exact amount of dollars that was covered by insurance in regards to the Chief Julius School that was destroyed by fire.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 142-13(4): Chief Julius School

**HON. CHARLES DENT:**

Mr. Speaker, I would be happy to provide that information to the Member. Off the top of my head, I can say that it was approximately \$8 million, but I will provide the Member with the exact number within the next day or so.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Rabesca.

Question 143-13(4): Monitoring Colomac Tailings

**MR. RABESCA:**

Thank you, Mr. Speaker. Earlier today in my Member's statement, I mentioned the possibility of the Colomac Mine closing its operation. With this in mind, I would like to ask the Minister for Resources, Wildlife and Economic Development, if his department is monitoring the tailings ponds at the Colomac mine?

**MR. SPEAKER:**

Mr. Premier, would you like to respond.

Return To Question 143-13(4): Monitoring Colomac Tailings

**HON. DON MORIN:**

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

**MR. SPEAKER:**

The question is taken as notice. Oral questions. Mr. Roland.

Question 144-13(4): Outside Analysis of GNWT Budget

**MR. ROLAND:**

Thank you, Mr. Speaker. My question will be directed to the Minister responsible for Finance. Mr. Speaker, as I said earlier in my statement, I did an interview with CBC yesterday evening and during that interview, some information was given that Inuvik had taken an 11 percent reduction. I would like to know from the Minister if anybody else outside the government was doing an analysis on our budget for those people to come up with an 11 percent figure? Thank you.

**MR. SPEAKER:**

Thank you. In regards to rules, I would like to ask the Member are those comments he made himself, or are those comments made by the media?

**MR. ROLAND:**

Thank you, Mr. Speaker. The comments were made by the media in an interview. I would like to know if the FMBS or the Minister of Finance has anybody outside of his department working on this budget to do an analysis.

**MR. SPEAKER:**

A Minister cannot confirm what has been said by the media about the 11 percent, but I do believe it is in the Minister's knowledge, the second part of your question. I will allow it. The Minister of Finance, Mr. Todd.

Return To Question 144-13(4): Outside Analysis of GNWT Budget

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I think what my honourable colleague is alluding to is the editorial comment that was made on the budget, and I believe some people independent of government may have given their analysis of the budget and the projected cuts that we have placed in there. Any reference to percentages have no bearing on the position of the FMBS. It was probably an independent group of people doing their thing based upon the fact that we brought the budget forward yesterday. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Supplementary, Mr. Roland.

Supplementary To Question 144-13(4): Outside Analysis of GNWT Budget

**MR. ROLAND:**

Thank you, Mr. Speaker. Following that question, I would like to know if the Minister will have information made available on the government reductions as it covers communities, and when he would be able to provide that? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 144-13(4): Outside Analysis of GNWT Budget

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I recognize, and my honourable colleague has raised this on a number of occasions, the need for fairness and equity. In fact, I believe another Member asked it yesterday and others. We are very cognisant of the fact that my honourable colleague from Inuvik is under, understandably, a considerable amount of pressure because of what is taking place in his riding. As others are, myself included. We did provide the layoffs, et cetera. I am prepared to prepare a full analysis, if you want, of where the cuts have taken place both in capital, O & M and in the PYs, to reassure everybody that, as I said in the budget yesterday, we did try to transcend any particular constituency and ensure that there was a sense of fairness and equity.

The reality is that budget rate cuts have come from those who have the most. Regional centres like Rankin Inlet, like Iqaluit, and Inuvik have had to take their fair share of the hits. I understand where my honourable colleague is coming from. I will provide him with the information that will hopefully reassure him that his area of concern is addressed as quickly as I can, Mr. Speaker. Thank you.

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**MR. SPEAKER:**

Thank you. Oral questions. Mr. Miltenberger.

Question 145-13(4): GNWT Hire North Policy

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My question is to the Premier. I would like the Premier to tell the House as well as the many interested and disheartened employees, former employees and the general public, about the government's position on hiring north and affirmative action, especially as it pertains to the senior staff issue that is presently the topic of some discussion in this House? Thank you.

**MR. SPEAKER:**

Mr. Premier.

Return To Question 145-13(4): GNWT Hire North Policy



**HON. DON MORIN:**

Thank you, Mr. Speaker. This government is on record and has been on record in the past as always supporting northern hire. We have already made a commitment to Members of this Legislative Assembly on the review of the affirmative action policy. I believe that is going to be brought forward during this session, so Members can debate that issue in this House and set the principles for recreating ... the affirmative action policy. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Morin. Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 145-13(4): GNWT Hire North Policy

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My supplementary to the Premier is, can he clarify beyond the general support that he says has been given and I know has been given in this House and in other arenas of the government, to affirmative action, northern hire, when in fact 60 percent, or three of the last five senior positions that have been hired have been from the south. It seems to be somewhat at variance with what the Premier is telling this House, and how does the Premier reconcile that stark difference?

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 145-13(4): GNWT Hire North Policy

**HON. DON MORIN:**

Thank you, Mr. Speaker. Like I have said previously in this House, this government is very committed to hiring north. Hiring in any organization is a difficult task. When we were elected some 15 months ago, we kept the majority of the senior management on, and we have hired the majority of the senior management from the north. There are some positions that require unique skills that we did advertise in southern Canada for and in the north as well. Those people that did apply, it was felt that they were the best qualified to fill those positions, so they were hired. As far as affirmative action and the whole affirmative action issue, we still have to take the opportunity in this Assembly to debate that issue and discuss it here. I

believe that issue will be brought forward by the government in the very near future. I do know that it is safe to make the commitment that it will be brought forward during this session of the Legislative Assembly for debate. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 145-13(4): GNWT Hire North Policy

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. The Premier just made reference to the need to go south to obtain unique talents. Does the Premier see the issue of community empowerment as a unique talent that is available only in the south?

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 145-13(4): GNWT Hire North Policy

**HON. DON MORIN:**

Thank you, Mr. Speaker. When I made that statement, that there are certain qualifications that are needed for certain jobs in the Northwest Territories, and I am not going to talk about any specific jobs, but you end up going south. You do end up with a southerner in a position the odd time, whether it be in government, or it be in the mining industry, or whatever. We acknowledge that fact and we recognize that. That is not saying that people in the Northwest Territories do not have a great amount of qualifications, but it so happens that some jobs in the government, and even outside of government, that people make the decision to hire, and they make the decision to hire the best person for that job.

The only way you can ever really judge whether that is the right or wrong decision, is finding out if that person produces. Until you give that person the opportunity to produce, whether it be for private sector or the government, then you cannot judge whether that is the right or wrong decision. So, the indulgence of the Assembly, I think that we are going to, in this Assembly, have a debate on the affirmative action policy and hiring north. We will have that debate, and we will have that debate on broad principles, and then

we will have clear direction from this House. I know that in the past the affirmative action policy has not increased very well, of aboriginal senior management in government. I also know that it has to be re-worked, and we look forward to Members' input on that whole issue.

I am not going to make a comment on whether or not, I guess I have a problem, Mr. Speaker, commenting or talking about individuals in this Assembly that are not able to defend themselves in the Assembly. We have made it common practice before in this House, for example, not to name individuals or be cautious of how we approach issues. We approach them on principle and deal with them in such a way. Thank you.

**MR. SPEAKER:**

Yes, again, just to caution the Members regarding questions to the Ministers, the Members have to ask questions on the governments position on certain issues, to caution you with regard to seeking an opinion on an individual Member as a Member. Mr. Miltenberger.

Supplementary To Question 145-13(4): GNWT Hire North Policy

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**MR. MILTENBERGER:**

Thank you, Mr. Speaker. I would like to point out that in fact my reference was to the issue and the topic of community empowerment. I made no reference to any person or position, and I was asking the Premier for the government's position, and himself as Premier, and also, I would like to note that the Premier indicated in his reply that the odd time it is necessary to go south. Sixty percent, or three of the last five positions, seems very odd, extremely odd, in fact, not odd any, it is beyond odd, and the issue of debate. I am interested in debate, but can the Minister tell us, while we wait for this debate and the government continues to hire south, we are in a no-win situation as Ordinary Members. How do we reconcile that, again, when we are talking about a debate on a policy, when the government has shown by its record that it does not seem to be, at the senior level, that committed to the very issue that they want everyone else to take deeply to heart, including industry and mining, such as BHP? Thank you.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 145-13(4): GNWT Hire North Policy

**HON. DON MORIN:**

Thank you, Mr. Speaker. To put it into proper perspective, I believe there is approximately 11 or 12 deputy ministers in this government, and ADMs I have lost track of. There are many senior management positions in this government, and out of that, like the Member said, three are hired from the south. Ultimately, the majority of them are, I guess, including some Members sitting in the House today, that did come from southern Canada from one time or the other. What I am saying is that our government is very committed to hiring in the north. We have always been committed to hiring in the north, and we have always tried to find people to fill key positions for the government in the Northwest Territories.

When we were unable to do that, we did look south. We did not close the doors, or close the borders to the rest of Canada, and we can learn from southerners as well as southerners can learn from us. So, in looking at the numbers, in general, of senior management, and the numbers that were hired from southern Canada, and the total number of senior management that work for this government today, the numbers are very small. We should be looking at what people have to offer, and the only way we can really judge whether the decision was right or wrong, is whether they produce in the job they received. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Oral questions. Mr. Henry.

Question 146-13(4): Video Lottery Terminals' Revenue

**MR. HENRY:**

Thank you, Mr. Speaker. My question, Mr. Speaker, is to the Minister of Finance. The federal government imposes income tax on all people in Canada who are employed. The federal government imposes a GST tax on everyone when they purchase goods and services. The NWT government imposes a payroll tax on all people working in the Northwest Territories, so from that perspective, I was very pleased to see in the budget that the Minister has recognized that people in the North are paying sufficient amount of taxes and that he is not having any new taxes in this budget. In

response to Mr. Picco regarding taxing fund raising activities of youth groups, such as bingo and so forth, the Minister unequivocally said that he would not consider that. As a means of generation, has the Minister considered the potential revenue that could be created by video lottery terminals? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister of Finance, Mr. Todd.

Return To Question 146-13(4): Video Lottery Terminals' Revenue

**HON. JOHN TODD:**

Thank you, Mr. Speaker. This legislator and this Minister in my current position has not, at this time, done any research or any work on the revenues that would be generated should the Northwest Territories legislate approval for VLTs. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 146-13(4): Video Lottery Terminals' Revenue

**MR. HENRY:**

Thank you, Mr. Speaker. Would the Minister commit to having his staff look at the potential revenue generation and the negatives and positives that also seem to go along with this type of revenue? I understand each of these terminal units can generate up to half a million dollars per year for government. My question again, would the Minister have his officials look at the potentials, the negatives and positives of this type of revenue generation? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 146-13(4): Video Lottery Terminals' Revenue

**HON. JOHN TODD:**

Thank you, Mr. Speaker. In the previous legislature, actually, we had done some work with respect to lotteries and casinos, et cetera. What I would be

prepared to do would be to share with the Members, gather that information, which I think is still current, share that with the Members and see if there is broad-based support for any further discussion or movement on that issue.

**MR. SPEAKER:**

Thank you. Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 146-13(4): Video Lottery Terminals' Revenue

**MR. HENRY:**

Thank you. My final question to the Minister is, I heard him saying a very definite no to taxing bingos and so forth. Do I hear the door at least being open regarding this type of revenue generation? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 146-13(4): Video Lottery Terminals' Revenue

**HON. JOHN TODD:**

Mr. Speaker. There is a great deal of concern with respect to the addiction side of gambling and VLTs. It is prudent of me to say that out loud. What I am

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prepared to do is, I know we did some other work in the past, in the previous legislature, I will get that information and share it with the Members. If there is broad-based support for any work to be done in that, then I would give that, assuming there would be broad-based support, some direction given to this House, I would give that some consideration. But in fairness to my colleague, I think it is important to make him aware, which I am sure he is, that for example, right now in Alberta and Nova Scotia, there is a great deal of debate going on about the merits of VLTs and the impact it is having on the social end of things, and is the net return, for example, as sufficient as people think it is. Last night, for example, in the National, for those of you that watch the news, there was some discussion on the Saskatchewan casino and they had projected it was going to be x-million dollars. In fact it did not generate the revenue that they want.

I would say to you that we should be cautious on this issue. It would be fair to say it would be politically sensitive, and I am sure my colleague knows that. But I will gather what has been done before and provide it to him and others and look forward to any further action of direction being given by this House. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Erasmus.

Question 147-13(4): ADM for Community Empowerment

**MR. ERASMUS:**

Thank you, Mr. Speaker. My question is for the Minister of MACA, and it is in regards to the job offer to the ADM or community empowerment. Yesterday, the Minister had indicated that 23 northerners applied for this job and 37 people from the south had also applied. Would the Minister indicate how many northerners were actually interviewed?

**MR. SPEAKER:**

The Minister responsible for Municipal and Community Affairs, Mr. Thompson.

Return To Question 147-13(4): ADM for Community Empowerment

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. I do not have the details right now before me. I will take that as notice.

**MR. SPEAKER:**

The question is taken as notice. Oral questions, Mr. Ootes.

Question 148-13(4): Reconsideration of ADM Appointment

**MR. OOTES:**

Thank you, Mr. Speaker. I would like to follow up with a question to the Minister of Municipal and Community Affairs, regarding the appointment of the ADM. I wonder, considering the comments made by the Members today and yesterday and the concern expressed, if the Minister would reconsider the appointment of this individual?

**MR. SPEAKER:**

The Minister responsible for Municipal and Community Affairs, Ms Thompson.

Return To Question 148-13(4): Reconsideration of ADM Appointment

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. No, I would not.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 148-13(4): Reconsideration of ADM Appointment

**MR. OOTES:**

Yes, I wonder if the Minister could explain at what stage, has this individual been informed already of the position and so forth, what stage is it at?

**MR. SPEAKER:**

Ms Thompson.

Further Return To Question 148-13(4): Reconsideration of ADM Appointment

**HON. MANITOK THOMPSON:**

(Translation) Thank you, Mr. Speaker. That job has been offered to that person already. Thank you.  
(Translation ends)

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 148-13(4): Reconsideration of ADM Appointment

**MR. OOTES:**

Yes, I wonder if the Minister could indicate if the individual that was successful has accepted the position?

**MR. SPEAKER:**

Ms Thompson.

Further Return To Question 148-13(4): Reconsideration of ADM Appointment

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Yes, he has.

**MR. SPEAKER:**

Oral questions. Mr. Picco.

Question 149-13(4): Social Housing Plan

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, is for the Minister of the Northwest Territories Housing Corporation. Earlier this year, I spoke about the shortage of social housing in Iqaluit. We are short approximately 70 housing units. This government seems devoid of a social housing plan, buying new housing. My question then is to the Minister. It is about time we put away the rhetoric and stopped blaming the federal government for not funding new social housing construction. Mr. Speaker, my question to the Minister is, what plan other than using excess staff housing that was announced yesterday in the budget, does the government have to alleviate desperate need for basic proper shelter for the people of the Northwest Territories?

**MR. SPEAKER:**

The Minister responsible for the NWT Housing Corporation. Mr. Arlooktoo.

Return To Question 149-13(4): Social Housing Plan

**HON. GOO ARLOOKTOO:**

Mr. Speaker, the Member talks about rhetoric coming from myself, when I tell him that he should listen to himself once and awhile. I have spent a lot of time, many hours thinking of how we can deal with the housing shortage in the NWT.

It is true, I am not just blaming the federal government. It is true that they have cut all of our funding for building new social

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housing units, and the amount of money that they give us to run those houses has been capped. We spend, as a government, more per capita on housing than any other government in the country. That just goes to show how seriously we take this issue.

What we have done is spend about \$50 million approximately each year to assist northern residents build their own homes. The idea behind that is that as

these people move out of social housing units and into their own homes, and become more independent, they free up the social housing units, and we can offer those houses to other people.

I talked to the Standing Committee on Social Programs late last year about a plan that we were working on, trying to increase the number of new housing starts. I am pleased to say that, I believe on this Friday I will be presenting the proposal to them subject to Cabinet approval on Thursday.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 149-13(4): Social Housing Plan

**MR. PICCO:**

Thank you, Mr. Speaker. It is easy to be well versed in rhetoric when I have to listen to it for the past 15 months coming across the floor of this House. Mr. Speaker, my supplementary question to the Minister is, when exactly was the cut off date for the construction of new social housing from the federal government?

**MR. SPEAKER:**

Mr. Arlooktoo.

Further Return To Question 149-13(4): Social Housing Plan

**HON. GOO ARLOOKTOO:**

Mr. Speaker, I do not have the exact date, but it was either the late 80s or early 1990.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 149-13(4): Social Housing Plan

**MR. PICCO:**

Thank you, Mr. Speaker. So while we have been waiting, fiddling as Rome burnt for the last seven years waiting for a housing strategy to replace the federal money, according to the timeframe that the Minister just gave us, we are running up into a situation now where we have got like as some of the Members talked about, people staying in matchbox

houses. My question to the Minister is, if we can find \$60 million to finance Internet, and fibre optics, why can we not find \$60 million to building some social housing for the people?

**MR. SPEAKER:**

Mr. Arlooktoo

Further Return To Question 149-13(4): Social Housing Plan

**HON. GOO ARLOOKTOO:**

Mr. Speaker, I am not aware of what the Member is talking about, the \$60 million for the Internet. So, I cannot answer the question.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Picco.

Supplementary To Question 149-13(4): Social Housing Plan

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, this government has been thrusting forward on their plan, as Mr. Dent has said and as Mr. Todd has said, about the \$70 or \$60 million for this new telecommunications empire that is going to rewire the north, and with the territorial contribution of same. That is the question I am asking Mr. Arlooktoo, maybe now that jiggles his mind. Can the Minister tell us why we cannot get some of those types of monies and put it into the social housing needs, Mr. Speaker, of the people for the Northwest Territories?

**MR. SPEAKER:**

Mr. Arlooktoo.

Further Return To Question 149-13(4): Social Housing Plan

**HON. GOO ARLOOKTOO:**

Mr. Speaker. I think the numbers are not \$60 to \$70 million. I do recall the Minister of Finance announcing a \$13 million initiative to start up the digital communication network earlier. One of the ways that we need to look at these types of issues is in a global scale, on the broad level. The digital communication network, in our opinion, is something that will greatly improve the communication systems that we have. It

will save money in many areas, including education and health, in different conferences, et cetera, which would free up money that would have otherwise been spent in those areas that we could use for social programs.

**MR. SPEAKER:**

Thank you. Again, I would like to remind the Members that when directing a question to a Minister when it is acknowledged, but also to ask a question related to your preamble. In this case, it was regarding social housing and not the Internet. I would ask the Members to restrict to the preamble that they have made to the question. Oral questions. Mr. Picco.

Question 150-13(4): Municipal Liabilities Through Empowerment

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of MACA and it concerns the community empowerment initiative. My question concerns the liability of the hamlets, towns, and municipalities that take over programs and services of the Northwest Territories, what is the liability contingency on these hamlets, towns and villages? Mr. Speaker.

**MR. SPEAKER:**

The Minister responsible for Municipal and Community Affairs. Ms Thompson.

Return To Question 150-13(4): Municipal Liabilities Through Empowerment

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Can the Member please give me an example and clarify his question?

**MR. SPEAKER:**

Clarification, Mr. Picco.

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**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, it is my understanding that if in the community of Hardluck Bay that community wants to take over DPW through the community empowerment initiative, there is liability associated with the work that has gone on

before, and in most of the cases. Does the Minister of the day of that department, it could be MACA, it could be DPW, have to relinquish the department's liability and pass that liability on to the hamlet? The concern here, Mr. Speaker, is that the Insurance Bureau of Canada has been given some of these hamlets that have taken on these responsibilities, problems with their insurability under the community empowerment initiative. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Ms Thompson.

Return To Question 150-13(4): Municipal Liabilities Through Empowerment

**HON. MANITOK THOMPSON:**

(Translation) Thank you, Mr. Speaker. I understand his question. Under the community empowerment initiative, when they are prepared to take on responsibilities they will negotiate with departments and be trained on the responsibilities, and the communities will be trained to take on the responsibilities. Thank you. (Translation ends)

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 150-13(4): Municipal Liabilities Through Empowerment

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, for clarification the question concerned the liability, the insurance liability of the government. When the Minister of the Crown transfers responsibilities of an individual department or program areas to a hamlet, or a town, or a municipality, there are certain liabilities that are waived by the Minister of the Crown. My question to the Minister again, is what is the contingency on this liability? What is the payment? Does MACA, for example, provide extra insurance coverage for these municipalities? The information that I have been provided is that lots of these municipalities, after the delivery of community empowerment services, have had problems with Insurance Bureau of Canada, or whatever to get insurance because of the liability contingency. So, the question was not answered, or I am rephrasing my question for the benefit of the Minister.

**MR. SPEAKER:**

Ms Thompson.

Further Return To Question 150-13(4): Municipal Liabilities Through Empowerment

**HON. MANITOK THOMPSON:**

(Translation) Thank you, Mr. Speaker. All the negotiations that take place regarding taking on the responsibility, it seems like there are questions that are not very clear so I will take the question as notice. Thank you. (Translation ends)

**MR. SPEAKER:**

Thank you. Question period is over. Item 7, written questions. Mrs. Groenewegen.

**ITEM 7: WRITTEN QUESTIONS**

Written Question 2-13(4): Family Planning Programs

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. I have never done a written question before so this is addressed to the Honourable Charles Dent, Minister for Education, Culture and Employment. What programs does the government have in place to assist our residents, particularly young people, in the area of sound family planning decisions? If such a program exists, at what age does the discussion of such topics commence? Thank you.

**MR. SPEAKER:**

Thank you. Written questions. Mr. Krutko.

Written Questions 3-13(4) Chief Julius School Gymnasium

**MR. KRUTKO:**

Thank you, Mr. Speaker. My question is to the Minister of Education, Tetlit Zheh Construction presently constructing the Chief Julius School in Fort McPherson, and the full sized gymnasium. Would the honourable Minister of Education please explain to me why Tetlit Zheh Construction will not be paid for the construction for the full size gym? Would the Minister please identify the exact dollar amount of insurance monies that was received for the Chief Julius School burning? Would the Minister of Education indicate the exact dollar amount that has been received for the Chief Julius School?

**MR. SPEAKER:**

Written questions. Item 8, returns to written questions. Item 9, replies to opening address. We will take a 15 minute break.

-- Break

**MR. SPEAKER:**

Item 10, replies to budget address. Mr. Picco.

**ITEM 10: REPLIES TO BUDGET ADDRESS**

Replies to Budget Address 1-13(4) (Picco)

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to begin my response to the 1997-98 budget of this government, delivered by Minister Todd, by reviewing some of the statements made by the Minister yesterday.

Mr. Speaker, Mr. Todd announced the deficit picture has shown improvement and that the forecast for the accumulated deficit should fall from \$65 million to less than \$57 million by 1998. Mr. Speaker, that is good news.

Like many of the other MLAs, I wanted to try and balance the budget in the first year of this government, but realized that a new time frame of two years was needed. We are now beginning to see the efforts of the downsizing and reductions. Mr. Speaker, I have not been a fan of many of the reductions and cut backs. I was against the closure of Personnel. I was against the elimination of the regional directors and voted against the Public Service Act.

Mr. Speaker, yesterday Mr. Todd was quoted in the media as saying, he did not see much opposition coming from the Members about this new budget as we all had a part to play in it. Well, to a degree, that may be correct. But I did not come here to rubber stamp everything that is put in front of me. As the debate and the cuts to different areas become clear to the people of the Northwest Territories, I will be asking for

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clarification and hopefully reversal of some of the decisions made.

Mr. Speaker, the 13th Assembly has had many difficult decisions to make. Many as a result of the spend-free attitude of previous Assemblies. At the end of the day, this must be remembered. Mr. Todd said that we cannot afford to expect funding levels to grow annually from Ottawa as in the past. He also said that discussions with Mr. Martin about a funding floor that would help out our deficit and difficult situation. I encourage Mr. Todd to get aggressive in this area, as the federal government accounts for more than 80 percent of our revenues.

Mr. Speaker, in Mr. Todd's own way, he had a laugh when commenting to various media yesterday, that Mr. Picco wants to tax bingos and bring in VLTs. I guess the implication here being that I was some type of zealous, gambling, revenue fan. As Mr. Todd is fond of saying, there is leakage at every level and I think that comment showed that leakage also occurs at the ministerial cerebral level. As I explained yesterday when you read the Hansard, that is not what I said.

But yesterday was Mr. Todd's day to shine and I do not begrudge him a parting shot at yours truly, because I can take as good as I give. The budget address did little to demonstrate new revenue generation ideas that I continually mention in this House. When will the Minister take serious revenue generation? By announcing no new taxes, world wide that would be met by jubilation by most voters. Mr. Speaker, revenue generation can be achieved outside the realm of taxation. Mr. Todd's finance staff needs to revisit this area. We cannot seem to generate much new revenue and thus we have to reduce, lay-off and close down. Has Mr. Todd factored in the 900 plus jobs of construction at the BHP camp over the next 18 months? Is he moving forward like other jurisdictions to capture more revenue from non-renewable resource exploration and mining? There was no indication of this in the budget.

The budget address did not talk about continued problems with the downsizing and reductions. Every less job means less income tax paid to this government, and as a result less revenue for the government and an increase in our social assistance roles. Our people need hope. Where is the long awaited job strategy and housing strategy? On page 5 of the budget address, Mr. Todd says that the government has removed itself from functions that can be done better by the private sector. In reality, Mr. Speaker, there has been no evaluation that I am aware of that categorically states that this is the case. We hope, as a government, that privatization does



this better, but it may be two or three years from now before we can evaluate that.

Mr. Todd, in his budget address, explained the commitment from this government with division. To be fully able to comment on this area, it is important that the division transition plans of the government be reviewed in the context of Nunavut and the western Arctic. Any division discussion from this point to April 1, 1999 will be contingent on the gross expenditure bases of both new territories. The cloud on the horizon that Mr. Todd pointed out is the incremental and transitional costs to set up two new territories and where this money will come from and how much.

The current joke going around is, what is the difference between John Todd and God? God does not think he is John Todd. Well, Mr. Todd might need some divine intervention now to help balance this budget. Mr. Speaker, Mr. Todd's second budget will try and deliver the first annual surplus in several years but the acid test will be at what cost to the services, programs and people of the Northwest Territories. Thank you, Mr. Speaker. Thank you, Mr. Todd. Thank you, colleagues for not walking out on me this time when I delivered my reply to the budget address.

-- Applause

**MR. SPEAKER:**

Thank you, Mr. Picco. Replies to the budget address. Mrs. Groenewegen.

**MRS. GROENEWEGEN:**

Mr. Speaker, I would like to seek unanimous consent to return to recognition of visitors in the gallery.

**MR. SPEAKER:**

The Member for Hay River is seeking unanimous consent to return to item 5. Do we have any nays? There are no nays. You have unanimous consent. Mrs. Groenewegen.

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. I do not often have constituents from my riding in the House and today it is a pleasure to recognize Mr. Rick Connors, the Director of Eastern Arctic Operations for Northern Transportation Company Ltd.

-- Applause

**MR. SPEAKER:**

Welcome to the Assembly. Replies to the budget address. Item 11, petitions. Item 12, reports of standing and special committees. Mr. Erasmus.

ITEM 12: REPORTS OF STANDING AND SPECIAL COMMITTEES

**MR. ERASMUS:**

Mr. Speaker, the Standing Committee on Government Operations is pleased to present its report on the 1997-98 Main Estimates Review.

In October, 1996, the standing committees reviewed the draft business plans of the various government departments. As a result of the reviews, we made recommendations for change and requested more information. Departments then prepared

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the draft main estimates. These were reviewed by the standing committees in early December. On behalf of the standing committees, we would like to express our appreciation to the Ministers and their staff. They have spent considerable time preparing these budgets. Many departments have made great efforts to provide the information committees needed in order to make informed decisions.

Securing our financial future continues to be the number one priority. Until we do this, many of the other priorities will be hard to achieve. We agreed that developing a more efficient and effective government structure was our second priority. It is closely linked to our financial situation and is the area we have been focusing on.

Mr. Speaker, the 10 priorities are, to secure our financial future, to develop a more effective and efficient government structure, to improve social conditions, to improve economic conditions, to empower communities, to work towards community wellness, to make Nunavut and the new western territory a reality, to take action on aboriginal issues, to take control of our own future and to be heard at the national level. After agreeing on the priorities, we then identified broad areas of interest which members looked for during the standing committee reviews of the 1997-98 budgets.

The first broad area of interest is that we need to be less dependent on federal government revenues. We currently receive more than 80 percent of our

revenues through our grant from the federal government. We have very little revenue from economic activity. The Minister of Finance has talked about the difficulty in raising new revenues in the past. We do not think the problem is as much revenues as it is facing the challenge to become more effective in how we use that revenue to meet the needs of the people of the territories. We should continue to encourage more revenues through promoting economic and job opportunities in areas such as tourism, mining, and the fur industry.

Second, we need to support the development and wellness of our people. Members recognize that in order to achieve our priorities people need to be prepared to contribute to society and the economy. Social and economic development are intrinsically linked but in the social envelope we see a need to support efforts in areas of training, prevention, intervention and rehabilitation. There is a clear need, as well for a job strategy so we make sure there are opportunities for northern residents.

Third, it is time to reconsider our standards. One area we felt could be looked at was the area of standards. This government has set standards, particularly in terms of community infrastructure, entitlements based on a very healthy financial picture. For example, we provide a broad range of services and infrastructure to very small communities, which in the past would have been considered out post camps. Is it realistic to continue doing this? These types of standards need to be reviewed in light of the financial realities.

Members are also concerned about standards in that, there seems to be consistencies in the standards used for similar services or programs across the government. For example, each department sets its own capital standards. There may be co-ordination initially at the community level in determining needs, this seems to break down as departments review needs from their perspective, rather than from a community perspective. There are inconsistencies between different departments and the standards or eligibility criteria for similar or related programs. Now that the major work to achieve a balanced budget is in place, it is time to refine programs and services. Part of this effort should be to address standards.

Fourth, we need to look at capital. On capital spending, we raised the possibility of alternate ways of paying for capital. Mr. Todd indicated that the government was looking at the possibility of moving to a system for financing capital projects more like the private sector and some other governments across

the country. We encourage that work to continue as quickly as possible.

In August 1996, the standing committee indicated it would be supportive of capital projects, which are essential to serve the basic needs of the community. This would include projects such as schools, health centres, housing, basic water and sewer, and primary transportation links, such as main roads and where it was necessary, for supplies. Projects which did not fit these criteria were closely scrutinized by standing committees. In the area of capital, we do have a concern about the fairness and equity of the allocation. Committees look carefully at this allocation. One particular issue, is the discrepancies between the levels of support for tax and non-tax based municipalities.

Fifth, we cannot maintain programs without people to run them. The committee wanted position cuts to be minimized, unless there was a definite demonstration that those positions were redundant or unnecessary. When we looked at position cuts, we looked for the associated program cuts, as well.

Sixth, subsidies and grants need to make sense. Members recognize that in many cases, the primary beneficiaries of subsidies and grants are those living in our smaller communities. We are not looking to take more away from those who have less, however, we agree that there is a need to look at integration and overlap in subsidies.

Seventh, we need to look at how we support northern businesses. There are a number of areas which Members feel should be addressed in how we support northern businesses. As one Member said, buy north should be a state of mind. However, the reality is that it is not. We do need appropriate

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policies and procedures to ensure this happens. However, it must be done in a reasonable way. Members feel that, in particular, the process for negotiated contracts and leases and the ordering and purchasing policies of this government should be reviewed. We must ensure that the level of subsidy provided to northern business is reasonable and makes economic sense, and we look forward to the final result of the business incentive policy review.

Eighth, we need input from all levels of government. A number of Members have been talking to individuals within the government who have good ideas. It would

appear that they were not given ample opportunity to share their first hand knowledge of how we could become more efficient and effective. Members believe that we need to find a way to get the input. Not just of senior managers, but of anyone within the organization who has a good idea. There should be an opportunity at the beginning of each business planning cycle, to sit together as a Caucus and affirm our direction and priorities. For 1998-99, we would suggest that a caucus meeting on priorities be held prior to targets being set for departments and the detailed work beginning. The standing committees are mandated to review the business plans and main estimates of the government. In order to do this, we must have adequate information. This is particularly important when Members are being asked to support major program changes or structural reorganizations.

While Members do not always want to know the specific details, they must receive information to demonstrate that the department has done careful analysis of the change and understands the impacts of the change, both in specific program clients and in other programs. In most cases, committees are asking for information, which the department must already have. This is the information we assume they use to justify the proposed change to their Minister.

Many departments have done an excellent job of providing full information on an issue. This has allowed the standing committees to quickly review the information and make a decision on a change proposed. However, the committees have concerns about the information provided by some departments. The key problems are as follows.

First, some information seemed to be superficial and did not clearly demonstrate the need for the program change in question. And, second, information was slow in coming to committees. In some cases, it has still not arrived. In fact, the final report from the Standing Committee on Social Programs cannot be prepared yet, because there are two departments in the social envelope where information is still outstanding, even after the Minister of Finance has introduced his budget in this House. The standing committee is concerned about the level of detail in the budgets of some departments. In November, we specifically requested that the government provide additional budget detail for Health and Social Services, Education, Culture and Employment and the NWT Housing Corporation.

For the majority of Members and the public, their opportunity to scrutinize the budgets of most

departments comes during the review of the main estimates in the House. When a department which controls 20 percent of the total government budget shows that budget in three large activities, it is very difficult for people to comment in any productive way on the programs buried within these activities. The Standing Committee on Social Programs appreciates that the Ministers are willing to provide the necessary level during committee meetings. However, this does not give other Members and the public access to a level of detail which allows informed discussion. We understand that larger financial breakdowns allow flexibility for the department to deliver programs and services. However, we believe there must be a balance between this flexibility and a more detailed disclosure of the financial allocations within our department.

It is not acceptable that the accounting structure of the Departments of Health and Social Services and Education Culture and Employment leaves 45 percent of all 1997-98 expenditures hidden in six activities.

Mr. Speaker, the following will be moved in committee of the whole when we are on general comments later today. The Standing Committee on Government Operations recommends that the Legislative Assembly not consider the budgets of the Departments of Health and Social Services and Education, Culture and Employment until the government tables the proposed 1997-98 budgets for those departments by financial detail to the task level.

Further, the standing committee recommends that the Legislative Assembly not consider the budget of the NWT Housing Corporation until the government tables the corporation's proposed 1997-98 budget with financial detail to the division level. Additionally, we were disappointed that, aside from the Aurora Fund, there is no concrete action arising from the investment search last summer. We understand that there are some issues which must be dealt with before the other programs can come into place. We hope the Minister of Finance will be in a position shortly to make announcements about the potential investment program opportunities.

An overall concern from the standing committees reviews, was about the community empowerment initiative. There is a clear sense that things may be moving more quickly than either the communities or the departments can accommodate. The potential for failure or serious problems is there, and again, we urge the government to be cautious, and approach community empowerment in a planned, and well

thought out manner. In the governments response to Footprints 2, there was an indication that the government intends to develop revised business plans, which take division into account. The standing committees look forward to reviewing those revised plans in May this year.

Under the Workers' Compensation Board and the NWT Power Corporation, these two organizations appeared before the committee during our review of the main estimates. Of particular interest to the committee, in reviewing the Workers' Compensation Board, were two items, plans for division and the appointment of a new board chair. The initial review of the division plans for the board show that a great deal of thought has gone into the options available. The committee is pleased with the general direction being proposed by the board and looks forward to reviewing those plans in more detail in May.

The committee is also supportive of the move to a half-time board chair and increasing the responsibilities of the president of the board. We believe this move is in keeping with

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improving efficiency, and is appropriate given the strong state of the board. We also discussed division plans with the NWT Power Corporation. Again, we are supportive of the general concepts presented and look forward to further review of this proposal. We are also pleased with the overall strategic direction proposed by the corporation for the coming year.

Mr. Speaker, that concludes the introductory comments of the Standing Committee on Government Operations on our review of the 1997-98 Main Estimates. I would therefore move, seconded by the honourable Member for Yellowknife South, that the report be received and moved into committee of the whole for consideration.

-- Applause

**MR. SPEAKER:**

Thank you, Mr. Erasmus. Your motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Speaker. Mr. Speaker, I would seek unanimous consent to wave Rule 93(4) and have the

Standing Committee on Government Operations report on the 1997-98 Main Estimates, moved into committee of the whole for today. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The Member for Yellowknife North is seeking unanimous consent to wave Rule 93(4). Do we have any nays? There are no nays. Mr. Erasmus, you have unanimous consent.

Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Motions 8-13(4) will now be dropped from the order paper. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in committee of the whole of bills and other matters. Bill 8, Appropriation Act and Committee Report 2-13(4) with Mrs. Groenewegen in the chair.

**ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS**

**CHAIRPERSON (Mrs. Groenewegen):**

I would like to call the committee of the whole to order. The items before us today are Bill 8, Appropriation Act 1997-98 and Committee Report 2-13(4). What is the wish of the committee? Mr. Ootes.

**MR. OOTES:**

Yes, Madam Chair, I would recommend that we proceed with general comments on both the appropriations Bill and the Report of the Standing Committee.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you. Mr. Ootes. Does the committee agree? We will commence with general comments on the Act or committee report before us. Mr. Roland.

**MR. ROLAND:**

Thank, Madam Chair. Some general comments on the budget document. I think that we have come a long way in two years. Unfortunately, we have also had to deal with some very negative duplications with the reductions as we have gone. I have always stated that I am concerned with the fairness with the way the reductions were happening. I hope to see that, as this

budget comes out and unfolds, we have seen the fairness issue addressed in a meaningful way.

I share the concern of my community of Inuvik when it comes to the closure of Delta House, or the proposed closure as it states in this document. It also states of the hard necessary decisions that we have to make at times. I hope that this government will consider the health of the community and the people in the region when it looks at the possible alternatives, if any can be found in the area of drug and alcohol addictions.

When I came here a year ago now, as I think many of us did, we talked of changing the way the government did business. I think that we have done a phenomenal amount of change in the short time that we have been in this Assembly, to the point that we are now saying it is time to slow down and look where we have gone. As I thought about this the other night, we need to stop and look where we have gotten because we have been so busy in the cutting procedure we do not know if we are still heading towards the end of the forest or if we are going around in a circle now. I think that as a government and especially coming up to division we have to be sure of where we are heading.

I have concerns in the area of budget reductions and the impact of those even in the light of division. I think that both east and west have to look at the implications that we face as new territories come April 1, 1999. I have said it earlier on, when I came into the House, that Nunavut, I think it is a good idea and I support the people of Nunavut proceeding to move forward in that direction.

I also stated in that comment that I did not want it done on the backs of those who could least afford it. In all of this, I think that we need to pay particular attention to the end product. Have we achieved a balanced budget at the cost of two viable territories?

I think that we all came here with the idea that we did have to deal with the budget, whether division or not, we could not afford to continue to run government as it has. I have had to do much explaining in my home community on the reductions that have happened throughout the first year, and no doubt will have to do much explaining. But as I said in my interview yesterday with CBC, I do not find it my job to defend what is put forward, but instead to make sure that whatever is proposed is done in a fair and meaningful way. As we go through this process, I will be directing my questions to the Ministers of the departments that we go through on exactly that fairness in the way

budget reduction has occurred. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Roland. General comments. Mr. Picco.

**MR. PICCO:**

Thank you, Madam Chair. Madam Chair, I think the reoccurring theme over the last couple of days and months has been the area surrounding fairness, and the debate surrounding fairness. The fairness of cuts, layoffs and reductions. I guess it would seem that larger communities like Iqaluit, Inuvik, Yellowknife, Rankin, Cambridge Bay, Hay River and Fort Smith have more to take from. Once you take from those areas, there is very little more to give.

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In our communities where government is the major single employer of people, we cannot give much more. Whereas, for example, some other communities were you have, like this community, we have renewable resources, like gold mines and other things like that happening, who may be offsetting employment opportunities for their people.

In my community, for example, the only thing we have is government. Everything is government, agencies and boards of government, and thus Madam Chair, those things had to be evaluated on the cost effectiveness not only of the program reductions, but of the jobs lost, and how we can replace those lost jobs. I will be looking for that type of information to come forward.

At the end of the day, my children and your children with its common plan and common agenda and all these other buzz words some people like to come up with, we have to find out exactly where we are going. We have to have performance measurement indicators.

Now as a government, a lot of people in this elected Assembly this year and last year, were elected because it seemed like you had a business background. I challenge any of those people with business backgrounds to find a corporation, a town, a government that has over 6,000 employees and a billion dollar budget and does not have a Department of Personnel, for example.

I think that, at the end of the day, we will have to look at some of the things that we have done, and like I said on my earlier address on the budget, evaluation, maybe a Caucus discussion over the next few days on where we are and where we are going. The wholesale cuts and reductions that we have seen are unprecedented in the history of the NWT, and so have been the budget reductions to date. I was not elected to come here to rubber stamp everything that has been thrown in front of me. I will be doing to the best of my ability, some people might think a limited ability, to the best of my ability to defend my community, and I make no apology for that, and I will not roll over and play dead when my community is being effected and I expect the same from the other Members. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Picco. Further general comments. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Madam Chair. I would like to start my general comments by focusing on one of the issues that we have not done well as a government, and we are going to improve on with this budget and the next 800 days and that is the whole area of communication.

We still have not come out of the communication strategy as we suffered through the budget that we are currently in and we are still feeling the effects and follow out by the way we have handled a lot of the initiatives. This current budget is intended to take \$100 million out of the budget, almost equivalent to last year. People are highly sensitized as we are all aware in every corner of this territory about the issue of deficit reduction and cutbacks. It is going to be critical for us if we are going to continue to manage this situation and be sympathetic and open and understanding as possible and let people know all of the issues that we are dealing with, we have a communication strategy.

It is not enough for MLAs or Ministers to stand up and make comments in the House, in their riding or at meetings. That is but one small part of the process. So, I would strongly recommend in the strongest possible way to the Minister of Finance, since he is one of only two Ministers in the House, that this is to me a critical issue. If we want to sell our package of necessary cuts, we have to be able to do it properly. We cannot afford to drop the ball.

I, like the Minister of Finance, am interested in getting through this particular budget exercise as carefully and as thoroughly and by the set dates as possible so that we can move on to the issues of economic development and then be one of division. There is also a considerable number of strategies and reviews currently under way especially in the social program in relation to reconfiguring health care facilities. They are still working on their child care issues that are going to have an impact on budgets, and I will be watching those with great interest.

I would encourage all MLAs to be very vigilant and involved in those because they will have an effect in every riding and with every individual in your constituency. It is very clear, as we discussed with the seniors we met with on Saturday, we have far more problems than we have money. I think this is a message that people do not want to hear, but I think it is a reality that we have to keep reinforcing. We still have a very high level of expectation and, while the cuts may be unprecedented in the history of the Northwest Territories, I think the level of expectation of people in the Northwest Territories on a comparative basis is also very high. The reality is, some of the problems we face, unless we deal with them, are going to continue to cripple us.

The Member for Hay River brought one up that I think we have to put on the table in a public forum more and more. That is, the whole issue of our exploding population. As we look at budgets and the costs that are driving our economy, one of the biggest single costs is the exploding birth rates and the pressure on health care systems, on social welfare systems, on schools, and on day cares. It is very clear to me that we have to start looking seriously at those issues, in relation to any kind of budget process, if we are going to have some kind of sustainable economy.

I also am convinced, as painful as it is, that we have to stay the course on this particular strategy that we agreed to and embarked on a year ago; the two-year deficit reduction plan. We have a lot of things that are already in process and, in my opinion, while there are some modifications maybe that take place, we have to stay the course.

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I also agree that we have unprecedented change. Any kind of significant restructuring, I think, is no longer appropriate, and that it is time to consolidate the changes we have made, the restructuring that has been done, and to evaluate the benefit and effect, or

lack of effect, of some of the various initiatives that we, as an Assembly, have agreed to. I think of the new consolidation of RWED, the user pay/user say.

Where are we with privatization? There is a whole host of initiatives that we have in the works related to this budget. We have so many things going that it is hard to keep track and hard to see what is working. I am convinced that if we do not pay more attention to some of the changes that we have under way, they will not happen. Privatization, unless people are vigilant and unless we make it an issue and focus attention on it, will, in all probability, grind to a slow, inexorable halt, because I do not think the government very willingly through its bureaucracy will seriously look at privatization. I think, subconsciously at least, there is a vested interest to maintain status quo. Am I out of time?

I think if we limit any further restructuring and focus on some of the initiatives we do have, that it will in the long run may be more beneficial. We may be able to realize some of the end results that we are anticipating if we can focus some attention on those and I think we should. As I mentioned, moments ago, it is also critical that we look at serious ways to contain some of the social drivers that are really straining our ability to cope. It is not something that is easy to talk about, something as simple as families and children. Unless we put that on the table and people realize the impact, I think we are not doing people justice or making them clearly aware that it is not just a question of government cutting or not having enough money, but there are things out there that we can have an influence on. We mentioned that to the seniors' society, that everybody has a role to play when you look at restructuring our way of life in the north.

As I look at the budget, the cost of division as we move down into the next 700 days is going to be another critical area. As one of the communities in the west, outside of Yellowknife, my sense is that it is going to be communities like mine that are going to end up suffering a net loss as we move through the deficit reduction, plus factoring in division. I think it is going to be critical for communities, outside of Yellowknife or including Yellowknife, in the west, to make maximum benefit of the resource development initiatives that are under way, ones that are now under way or that may be on the drawing board. Because, very clearly, as has been indicated by just about all MLAs, government is not going to regain its former stature. We are not going to have new government revenues. Government will no longer be,

as the Minister of Finance is wont to say, going to be the engine of growth in this territory. It is very clear that it is time to start shifting and broadening our economic base and that is a very difficult task in communities that have grown up on government largesse, I suppose.

Like Mr. Picco, I think MLAs have an obligation to defend their communities, but I qualify that defence by saying that I do not think it should be necessarily at all costs. When we talk fairness and equity we have an obligation as MLAs to consider other constituencies, other MLAs concerns, and the fact that we came in when we were elected into an imperfect system that we are trying to adjust and improve and that there is no doubt that some communities have more than others. Clearly there is no doubt. Just like it is very clear that some communities have faced inequities in the past, for whatever reason, in things like capital. So I, too, want to defend my community, but at the end of the day I want to make sure that the budgets that we put out and the programs that we agree to and the initiatives that we undertake, benefit the whole Northwest Territories.

Unless we keep a win-win attitude foremost on our minds when we are doing business in this House, then we will all retreat to our respective constituencies and we will have a regression to an old style of doing business that is going to be even more detrimental, now, than it was in the past, because no longer can we afford to try to go it alone. No longer can we afford to lobby individually to protect our interests without considering the overall picture. I know it is very difficult and I know we take a lot of heat for it, but I think we all knew when we were elected that this is possibly a short-term employment for us. But if we end up doing what is right, at the end of the day, when you look in the mirror in mornings, at least you will know you have that to your credit, that you did what you thought was right. You may be unemployed but you will have that satisfaction.

I think we have a lot of tough ground to cover ahead of us. I am confident that, as we listen to the discussion and debate at the end of the day, we can reach the goals that we have set for ourselves. Thank you, Madame Chair.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Miltenberger. Response to general comments. Mr. Todd.

**HON. JOHN TODD:**

I know other Members may wish to respond but I would like to, if I can, take an opportunity to respond to the Members that have made their comments already. To try to give some clarity on what the government's position is and, of course, I will respond to the other Members. I would like to start off, if I can, by quoting, if I may because I think it is important, Theodore Hesburg, who was the former president of the University of Notre Dame. He said, when it came to decision making, that his basic principle was: that we do not make decisions because they are easy. We do not make decisions because they are cheap, and we do not make decisions because they are popular. We make decisions because they are right.

This Assembly made a conscious effort 15 months ago, to put together a two-year deficit elimination strategy and many Members of this House disagreed with that at the time. Some wanted it shorter, some wanted it longer. But an appropriate compromise was made. The decisions we made have been difficult. They have not been easy. Mr. Picco is right. The last 12 or 13 months, I think it would be fair to say, that the Finance Minister has taken the brunt, rightly or wrongly, of the concern of the public at large.

This Finance Minister does not use buzz words, he uses serious positions as it relates to the budget. If you are going to have an effective debate, with respect to the budget, then it has to be done in a civilized, well laid out, argumentative manner. It is easy for those who continue to use, as it was used today in my opinion and I intend to deal with it tomorrow, purple prose, to exaggerate the fact that this government and some Members of it have not take the serious steps

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necessary to meet the requirements of our constituents at large.

Nobody feels more about what is going on in this country than I do, or any other Cabinet Minister around this table. I have been accused many times of wearing my emotions on my sleeve. I have pleaded with Members of this House to deal with the root causes of our problems for the last 12 months. I have spoken to many of you about reading Colin Irwin's book, *Lords of the Arctic, Wards of the State*. I have asked a number of you to take a look at the Kinloch report as it relates to health care across the system. Frankly, we have not had that debate. I was glad yesterday, at least the debate was raised by Mrs.

Groenewegen, and I am glad to hear Mr. Miltenberger talk about it today.

The reality of cuts, you shake your head, but the reality of our situation is, it is not just the fact that our base has been cut by \$60 million, it is the forced growth of \$40 million that is out of control in the social envelope. The discussion and the debate has to be taken in that context. It is not a question of how many houses you are going to get, whether you are going to get a health centre, it is a question of are you going to protect the essential services for the constituents that you represent? Because the federal government has cut the budget by 60 million bucks, the forced growth because of population explosion and other factors is forcing an additional \$40 million on the expenditure base of this government.

Parallel to that, and I include myself in this debate, as you indicated, is the expectation of our constituencies. Not only do we want skating rinks, we want zambonies. Not only do we want zambonies, we want zamboni rooms. And we continue, historically, and I have taken the time, to spend our way into this position. We are left with the daunting task of trying to bring back some fiscal sanity and to ensure that the essential services that we provide to our people and to my neighbours and my neighbours' kids, I make no apologies for saying that, are there. Whether it is in schooling, in health care, in housing, et cetera. To do that, we made a conscientious effort in the budget reductions to take a two-year approach, which we all agreed to.

We knew it would be a difficult task. The first year we took, as I have said on many occasions, from those who have the most, to keep it simple. We knew the next 12 months, this 12 months, this budget that we are facing, is going to be even more difficult and more challenging for all of us because it effects those who have the least. It effects health care, et cetera. If we do not make the tough decisions, you will not have to worry about it, because there will be no money to deliver the essential services to the people.

My friend from Inuvik talks about fairness and talks about it passionately. I agree with him. My responsibility, and my friend here talks about protecting Iqaluit and his constituency, and I agree with him. But I have a responsibility for the territories. I believe, as will be demonstrated in the coming weeks, that this Cabinet Minister and other Cabinet Ministers have clearly led by example in the cuts and reductions that have taken place as have some Members of this House. I am confident we will be able



to demonstrate that this House, and this Cabinet, and Members of the Legislative Assembly, have demonstrated by example. My responsibility goes beyond Rankin Inlet, Whale Cove. It goes into Iqaluit. It goes into Arviat.

This budget that we are bringing down now, is probably the most difficult we have ever brought down in the history of the Legislative Assembly. We all knew it was coming. We all talked about it the last 13, 14 months, and to suggest otherwise is wrong. If we do not make the cuts, we will as I have said on a number of occasions, leave an inheritance of debt for our children both east and west that, in my opinion, will be fiscally unmanageable. That will take away from our ability to deliver the essential services and totally, as I said yesterday, unacceptable.

It is my believe that this budget, and if, as my friend from Fort Smith has said, we stay the course no matter how difficult it is, we will be judged not now, but in the future. It would be expedient and easy for us to be politically correct and do little. We have been challenged more than we have ever been challenged before and it is incumbent on all of us that at the end of the day when April 1, 1999 rolls around we have given it our best shot to ensure that the two new territories are left in as fiscally sound a position as possible.

The budget deficit elimination strategy has been well laid out and I would suggest to you now, even though there has been criticism which is understandable, I think it is slowly becoming accepted by many and it is incumbent upon all of us as we move forward in the debate on a program by program basis but bear in mind that while, as Mr. Henry said earlier in his MLA statement, I have indicated there has been participation by the Ordinary Members. There will be dissent within it but the overall fiscal targets have set must be met if we are going to ensure that we have a balanced budget and there is going to be some fiscal health for future generations in the Northwest Territories.

I take this debate very seriously. I have taken the time to look at the demographics of what is happening. I challenge you all to do the same. At the end of the day, I am convinced you will come to the conclusion that the steps that we are taking, no matter how difficult they are, are the right steps and hopefully with your cooperation and the cooperation of the public at large, we will balance the budget this coming year and look forward to some light at the end of the tunnel and be able to demonstrate to your constituencies as

political representatives that you can move beyond cutting and get on with creating in job opportunities some hope as Mr. Picco said. Some security for the basic essential services that are required by our residents. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Todd. Are there any further general comments to Bill 8 Appropriation Act or the Committee Report 2-13(4)? Any further general comments? Mr. Miltenberger.

**MR. MILTENBERGER:**

Madam Chair, thank you. There was one point I was going to make that occurred to me in hindsight. I just wanted to point out that I think that we have to be very careful as well when we are talking to our constituents about the projected surplus and make it very, very clear that on a \$1.2 billion budget it is not a large amount of money. We have to be very careful that we do not have people spending that surplus many times over, As has been indicated, one good fire season, one outbreak of RSV, a couple of buildings burned that are not insured and we are back in the hole. So, I

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think we have to be very careful about how we approach that because I noticed the press picked that up right away. The big high point is that if we got this surplus why are we cutting, why do not we spend it? It is a projected surplus that may or may not be there. So, I am concerned about that particular issue. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Miltenberger. Are there any Members who have not spoken yet that would like to make general comments? Mr Krutko.

**MR. KRUTKO:**

Thank you, Madam Chair. In regards to the budget and going through it, the question I raised in regards to capital distribution, especially in my region, based on the 10 year allocations, based on population and I have seen from the statistics I have had, that my riding has been the lowest in regards to capital distribution for a number of years and still is. When you talk about allocation and distribution in the case of Tsiigehtchic, for instance getting \$42 thousand in the budget yet two years ago through the capital planning process were supposedly getting allocated

\$400 thousand. So, I think the whole question in the area of capital and the concerns raised of fairness, equity and allocations in regards to the communities throughout the north, there has to be a mechanism in place to verify that in regards to capital, O and M, and exactly the needs of the communities where we are finding there is cuts in areas such as the different subsidies we get through water and sewage. Also in regards to the cost to operate and maintain infrastructure such as water treatment plants, recreation centres, that there has to be a fair way of dealing with it and it has got to be phased in over time so that you do not take the axe to the tree and chop the tree down without really thinking of what the implications are in regards to where that is going to fall. Because what we are finding in a lot of our communities is that because of the decisions that we have made in regards to dealing with the deficit and also the cuts that we have taken. Some of them are basically, pretty hurt in regards to how it affects the bottom line in communities and how they have to restructure their finances within those communities and municipalities to deal with that.

There has to be a merit, a way of monitoring also a way of allowing this process to be phased in over a period of time. I know we do not have time but there has to be a way that the communities or municipalities have a mechanism there that when they do get in trouble or when they realize that there are problems in regards to their bottom line and trying to avoiding getting stuck in a deficit situation, that there is a way of proceeding. Where that there if there is a way knowingly that the department will be able to allocate other resources or other human resources to come in and assist them. Right now we do not have that. Basically, you take something over you are stuck with the burden of having to deal with it but my big point is the whole question of fairness. I have, you know, stood up in the House several times in the last year talking about this and I am have been meeting with the Minister and Minister of Finance and different Ministers to try to find a fair way of these distributions and also in regards to how we operate and maintain our infrastructure. So with that, thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Krutko. I have Mr. Picco on the list next if no one else would like to speak, but I see he is not in his chair. Are there any other Members who would like to make general comments? Mr. Erasmus, did you want to make general comments?

**MR. ERASMUS:**

Yes, please. Thank you, Madam Chair. I would like to make some comments on the budget address. First of all, I am pleased to see that for the first time in four years, this government will not run an annual deficit and that we are actually projecting a small surplus of almost \$9 million for 1997-98. Very reassuring to see that the plan that we put into place a year ago may actually bear fruit, in that we wanted to balance the budget in two years and I am really glad to see that this may actually occur unless there are some unforeseen events, emergencies, that type of thing.

I know that we have had to reduce our expenditures by around \$100 million both last year and we will have to do that again this coming fiscal year but as Mr. Todd has indicated we have not yet succeeded in reducing our operating budget to a sustainable level. We cannot continue to reducing capital spending. Infrastructure has to be replaced. Hospitals need to be built, that type of thing, so we do have to continue to trying to find ways to be more cost effective. I am pleased to see that Mr. Todd has discussed with the Honourable Paul Martin, the federal Minister of Finance, on finding a floor on the formula financing agreement as to how much the spending in the south will actually affect us. As we all know when the government in Alberta and Ontario substantially cut from their budgets, it affected us drastically here too, many, many millions of dollars. I believe it was \$30 million and/or thereabouts, I cannot remember.

There is some type of a ceiling so that if they increase their spending, there is a ceiling. There should also be a floor so that once you reach that floor you cannot go any lower, that their cutting affects us. So I am pleased to see that Mr. Todd has managed to get them back to the table on this.

In the area of restructuring Health and Social Services, being on the Social Programs Committee, I am well aware of how the forced growth issue affects us and we do have staggering demographic problem. Our population is increasing at the highest rate in North America and we cannot continue to proceed at this level because it just continues to put more stress on the areas of health and education, social services. Having said that, I am quite pleased to see that Cabinet has made a decision to protect the funding levels within the social envelope and in fact to increase the spending in the social envelope a few percentage points in this budget because even though we have to do something about the forced growth it is still there and we have to deal with it but at

the same time we have to find ways of managing this and evolve the health and education and social services system. I am quite pleased to see, because of that, that Mr. Ng has established a steering committee comprised of the Minister and the chairpersons of the Inuvik and Baffin regional health boards and the Northwest Territories Health Care Association. This committee will guide an extensive analysis of the current system and is supposed to develop a comprehensive plan to serve as a solid base so that future development of two sustainable health care systems. This is badly needed, and I am glad to the partnership that has been formed with these agencies.

In the area of organizational efficiency, Mr. Todd had indicated that the government has removed itself from functions that

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can be better done by the private sector. And I have said in the past, I am not that great a proponent of privatization and I know that it is certainly not always better for the people involved that privatization occurs. Before the decision is made to privatize petroleum products and computer services that need to be made in the future, I certainly hope that we have a chance to fully discuss this before proceeding with that plan.

I fully agree with the Finance Minister that it is time to turn our attention to division, and I fully respect the people of Nunavut's right to design their own government. Having said that, I also have to qualify that a bit by saying that the design of their government should not effect the level of programs and services that we maintain in the west, that we have now in the west.

We also cannot forget that we are creating two new territories, not just one. It is, therefore, essential that we move quickly to reach a consensus on the design considerations of Nunavut. It is also essential that somebody figures out the cost of the proposed government so people can see whether it is feasible or not. I also want to indicate that incremental costs that have been mentioned, there are incremental costs for both sides, the west and the east, because we are creating two new territories. Therefore, the incremental costs for the west should also be taken into consideration and with that I am very glad to see that the Cabinet has identified over a million dollars in 1997/98 to ensure that we can effectively talk about self government in the west.

As for the financial arrangements, I am quite pleased to see that Mr. Todd has spoken with Mr. Martin, the federal Finance Minister to ensure that the western Caucus has participation in the discussions leading up to the new financial arrangements in the east and the west. I am also pleased to see that they had provided funding for the steering committee for the western leadership.

I was also very pleased to see that we have invested funding in the social envelope for specific program initiatives which are called reinvestments. We certainly need to focus on children and families and the three million dollars for the early childhood intervention is very good to see. This will go primarily towards community based education or health promotion activities to families. I will be providing a more detailed budget address within the next couple of days. Madam Chair, thank you.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Erasmus. Any further general comments? Mr. Todd, response.

**HON. JOHN TODD:**

Thank you, Madam Chair. If I may, I would like to address, first of all, Mr. Krutko's concern about fairness as we have had frequently in this House. I have spent, as have some Ministers, a considerable amount of time on this issue in trying to find an appropriate compromise to it. I would ask him today publicly, and I know it will be difficult for me to say this to him, to be patient. We genuinely want to, I say this for public comment, genuinely want to do what is right for his constituency and do it in a manner that does not effect others. So, for public record, I want to assure him that there is a genuine effort, whether or not we will be able to satisfy the constituents or not, but there is certainly a genuine effort to try and reach some goal here.

Both Mr. Erasmus and Mr. Krutko talked about the capital budget and I could not agree more with you. In the budget I outlined that we cannot continue to take from the capital budget, you know we are up around \$200 million at one point, we are now sitting at about \$130 million. It does not make any fundamental change to the cost of running government, it is a short term relief and frankly I am concerned that we cannot continue to erode, if you want, the capital base, because it really does nothing over the long haul.

We did, last year and this year, did take some money from it in an effort to try and make sure there was some fairness in the cuts. I appreciate Mr. Erasmus's comments about the floor arrangement and as he said the erosion of our basin in the formula. And, I think, it is a complicated issue, the formula financing arrangement and it complicates itself even more, by the fact that we are not totally in control of our own fiscal destiny because a provincial and local government spending has a critical impact on how our formula is arranged.

As I said on a number of occasions, I am concerned that those who imply, and some have publicly, that we are moving too quickly, or deficits are okay. In fairness, I do not fully understand the fact that it is not this government alone making these dramatic changes, it is, you know, it is a combination of a variety of people. Now, that is not to suggest that I, as the Finance Minister, or us as Assembly are not ultimately responsible. We are. But some of this stuff is, whether we like it or not, beyond our control. I mean, if Mr. Bouchard decides to cut x-billion dollars from his budget, then I do not think he is going to listen to me, even though I would try to talk to him, or for that matter Mr. Harris and it does have an impact.

In fairness to the federal government, Mr. Martin, and I have to say this, in my meetings with him, has been very co-operative, and I am not saying because it is politically fashionable to say it these days, but I fundamentally believe the man is being as straight with me as he can, and if there is some room for compromise or room to establish a floor arrangement and he can live with that, I am confident that we will be able to come to an arrangement.

We are setting the stage, in a sense, for 1999, because two new formulas will be negotiated, so these issues of the floor, the erosion of our base because of provincial spending, have to be understood by more people. And, in particular, by our legislators and those who are directly involved in the east/west discussions on two new formulas.

I appreciate Mr. Erasmus's comments on the fact that we have been able to, at least on paper so far, come to an arrangement on broad representation at the financial table when we take a look at the fiscal arrangements that are necessary for the two new territories. I absolutely believe this is essential to the successful conclusion of two new arrangements. I would hope that my western colleagues, and I put on just temporary my Nunavut hat, would really at some point be able to reassure all Members and the public

at large that the division of the territories is not a Nunavut issue and in fact will not impinge upon the western Arctic's ability to continue with a quality of life and the services that we have. I see it, as the Finance Minister, as the development of two territories, and the development of two new formula financing arrangements.

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If I may try and answer a couple more issues, I think it would be fair to say that as I have spoken about earlier and Mr. Erasmus spoke about and others have, it is the struggle we are all having in relationship to the social envelope and the fact that it has got this enormous first growth, and with some it feels like it is outside of your control. And I use the terms in the budget, I believe, I do not have them before me, that the Minister Ng who has got an inordinately difficult task, needs to take a hard look at some radical form to the system. I can tell you, this is not unique to this jurisdiction. That is going on all across the country, and it is going to require all our patience and all our support in discussion and debate when Mr. Ng's budget and others come forward because, remember it is like the formula arrangement, it has a first growth component to it that makes it extremely difficult to contain, or to control. So, he has an inordinate difficult task of trying to satisfy the constituency at large, meet the targets that have been set by, et cetera.

As the Finance Minister, I have an overriding concern that the social envelope, and I have spoken on many occasions of this, the budget in the social envelope is continuing to rise. If it continues to rise to the degree it currently is, and there is no containment of it, then you know the logical end to that is that all the money will be in the social envelope and little will be in other areas: job creation, essential services, et cetera. I know many of you view it that way, but I think it is important that you do.

One last thing Mr. Erasmus eluded to, and I think this is probably where him and I differ slightly, in that is his comments as they relate to privatization and his concerns raised. I appreciate what he is saying and my position is that I really I wish there had been more progress, not less. But I want to assure him that, as we move forward with deciding on whether we should privatize POL and the larger computer services, et cetera, that would not be done without full discussion by the committees.

In summary, Madam Chair, I appreciate the Member's comments and I am going to try and reassure my

colleague, Mr. Krutko, that we are trying to make every effort, and I know it is extremely frustrating for him, I appreciate that the chairman of the government ops committee has taken an interest, in particular, in the larger issue of the formula financing arrangement, the erosion of the base. The fact that we do not have total control on the budgetary process as we would like, and I want to reassure the House that Mr. Martin, the Finance Minister, is agreed and working diligently to try to meet and come forward with a satisfactory compromise that will safeguard the base that we have and avoid any further erosion as we move forward to April 1, 1999. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Todd. Further general comments. Mr. Steen.

**MR. STEEN:**

Thank you, Madam Chair. Madam Chair, I am not at this time prepared to make comments towards this budget. I have heard comments from the other Members and I have heard the response from the Minister, and I, personally I would prefer to have more time to review all this information and therefore, I move that we report progress.

**CHAIRPERSON (Mrs. Groenewegen):**

Thank you, Mr. Steen. There is motion on the floor to report progress but, we do not have a quorum so we will have to ... Okay, the Chair recognizes that we have a quorum again. There is a motion on the floor to report progress. Motion is in order. All those in favour? Opposed? The motion is carried. Thank you. I will rise and report progress.

**MR. SPEAKER:**

The House will come back to order. Are there any items? Item 21, report of committee of the whole? Mrs. Groenewegen.

**ITEM 21: REPORT OF COMMITTEE OF THE WHOLE**

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 8 and Committee Report 2-13(4) and would like to report progress and Mr. Speaker, I move that the report of the committee of the whole be concurred with. Thank you.

**MR. SPEAKER:**

Thank you, seconded by Mr. Arlooktoo. The motion is in order. To the motion. Question has been called. All those in favour. All those opposed. Motion is carried. Item 22, third reading of bills. Mr. Clerk. Item 23, orders of the day.

**ITEM 23: ORDERS OF THE DAY**

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

Mr. Speaker, meetings for tomorrow morning at 9:00 a.m. of the Ordinary Members Caucus, and at 10:30 a.m. of the Standing Committee on Social Programs.

**Orders of the day for Wednesday, January 29:**

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. Replies to Budget Address
  11. Petitions
  12. Reports of Standing and Special Committees
  13. Reports of Committees on the Review of Bills
  14. Tabling of Documents
  15. Notices of Motion
  16. Notices of Motions for First Reading of Bills
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17. Motions
  18. First Reading of Bills
  19. Second Reading of Bills

20. Consideration in Committee of the Whole of  
Bills and Other Matters

- Bill 8 and Committee Report 2-13(4)

21. Report of Committee of the Whole

22. Third Reading of the Bills

23. Orders of the Day

**MR. SPEAKER:**

Thank you. This House stands adjourned until  
Wednesday, January the 29th, at 1:30 p.m.

-- ADJOURNMENT